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PRC FOREIGN MINISTER WU XUEQIAN ARRIVES 13 MAR

AU131755 Sofia Domestic Service in Bulgarian 1730 GMT 13 Mar 87

[Text] Official talks have opened in Sofia between Minister of Foreign Affairs Petur Mladenov and Wu Xueqian, PRC minister of foreign affairs, who arrived in our country today.

After briefing each other on the topical tasks both countries face in constructing socialism, they discussed a wide range of international issues, with emphasis on peace and war. They agreed that the arms race must be stopped and its transfer to space prevented.

Following the talks, and in the two foreign ministers presence, a plan for scientific and cultural cooperation for 1987 and 1988, agreements on cultural collaboration, and a consular convention were initialed.

ZHIVKOV REPORT ON SOCIETAL 'RESTRUCTURING'

AU100600 Sofia RABOTNICHESKO DELO in Bulgarian 6 Mar 87 pp 1, 2, 3

["Report by Comrade Todor Zhivkov to the National Conference of the Party, State, and Economic Aktiv on 4 March 1987" in Sofia: "On the work to Further Implement the Course of Qualitatively New Growth" -- passages within slantlines published in boldface]

[Text] Esteemed Comrades,

As you know, at the start of each year we hold national conferences on topical problems concerning our development and, first and foremost, on the fulfillment of the plan in the current year. These sessions have become a good and established tradition in our work.

At the same time, each of us feels and understands that it is not only tradition, and that tradition is not even the major thing that has brought us together here.

What am I referring to?

I am thinking of the fact that last year we prepared, and now since the start of 1987, have begun to implement exceptionally important measures to carry out the strategic policy approved by the 13th BCP Congress for qualitatively new growth in the economy and the other spheres of social life.

As such, the December BCP Central Committee plenum is showing its importance. As is well known, the plenum's participants discussed and approved a package of documents that forms a specific normative and organizational basis for our advance in the next period. This includes the code for economic activity, the statute and basic provisions for establishing new types of associations, and the 5-year-plan for the country's scientific, technical, and socioeconomic development. Following the December plenum, the BCP Central Committee and the Council of Ministers completed a considerable amount of preparatory work on the application of these documents.

/As a result, a number of issues have been resolved since then and are now being put into practice./

Associations of a new type have been built up.
New economic trusts have been formed.
The organs of the Council of Ministers have been restructured.

The application of a new economic mechanism has begun.

The basic principles for bank reform have been worked out.

In addition, we made a start last year in applying individual provisions of the new Labor Code, which gave a considerable impetus to the process of spreading the idea of self-management. Since the start of 1987, the whole code of law has come into force.

The Politburo believes that it is now very important to make an initial assessment of what has been accomplished, to define and classify in order of importance the tasks we will fulfill this year and in the future.

Comrades,

/Were we to describe in the most general terms the goal behind everything we are doing and that is already being done, we would say this: We have begun a deep restructuring in all spheres of social life, a restructuring that is revolutionary in essence. The question at hand is of a new historical stage in our entire development, in the implementation and enrichment of the BCP's Leninist April general line./

Our new views and approaches, which are being put into action, mean the following:

to carry out the scientific and technical revolution, and to accomplish on this basis a radical renewal of our technology, renewal, primarily through the introduction of automation and cybernetic contrtol systems;
to substantially accelerate the rates of growth of labor productivity and national income;
to raise socialist production relations to a new level;
to further improve socialist democracy so as to involve the workers on the broadest basis in the management of state production; and
to create conditions for a new flowering of socialist intellectual culture.

/And all of this seeks to attain a qualitatively new standard of living and the satisfaction of the people's material, social, and intellectual needs to a high degree./

As can be seen, within a short period of time we must cover a substantial part of the road toward the immediate historical task facing our people: /the building up of developed socialist society in the People's Republic of Bulgaria./

The achievement of the goals we are setting ourselves is now a question for our daily work.

We have laid down solid preconditions in the plan for /the Ninth 5-year Period/ approved at the last National Assembly session. By 1990 national income will grow by 30 percent, and social labor productivity by 35 percent, that is, faster than the national income.

/Real income/ per capital is to rise by 18 percent and the average working wage by 19 percent. At the same time, the minimum monthly wage will reach 140 leva. By 1990, the amount of social funds for each citizen is to reach 1,154 leva.

Overall, some 2 billion leva will be invested in /the intellectual sphere./ This will ensure the creation of still better conditions for man's development both as a worker and as an individual.

We take pride, as a party and as a people, in today's transformed Bulgaria. For several decades our country has been growing at high and stable rates. There has been a radical change in Bulgaria's production structure, and those branches that are the standard-bearers of scientific-technical progress are leading the way. We have taken our place in the international division of labor. The cardinal problems in the life of man and the people as a whole have been solved.

What has been accomplished is a feat of our people, of the working class, of agricultural workers, and of the socialist intelligentsia.

However, all this cannot now satisfy us. Progress in the scientific-technical revolution, in the economy, in the social sphere, and in intellectual life, strongly demands more.

We are assessing the profound changes that have occurred in our life. We are also examining the new domestic and international realities, including those of the socialist community.

The high degree of material and intellectual potential we have achieved enables us to carry out our economic, social, and cultural developent in a new way.

And our people have grown. Their needs and interests are much richer and more varied.

The requirements concerning our participation in socialist economic, scientific, and technical integration, and in international life in general are growing as well.

All this demands /profound change,/ which is to encompass both the material-technical base and the other areas of life. Without this change we will hold up our development.

With this in mind, we adopted /the course of qualitatively new growth/ in the economy and all other fields of social life. This is the meaning of the basic documents discussed and approved by the 13th BCP Congress and the BCP Central Committee plenum in December. This is the significance of everything we are now, from the start of this year, putting into practice.

The need for such change is now shown in a law-governed way by the development of the socialist states.

/The essence of this moment is that we are living in a period of radical change in the development of socialism and the entire community./

At the conference attended by leaders of the fraternal parties from the socialist CEMA member-countries in Moscow last year, we reached the unanimous conclusion that our states face an implacable choice: to advance to leading positions in economics and in the scientific-technical revolution, or to fall behind and encounter severe problems.

Our party totally supports the postulates and decisions of the January plenum of the CPSU Central Committee, which is rightly seen as a historic event. /These postulates and decisions provide us with new impulses to conduct a thorough restructuring in the present state of radical change so as to execute the plans of the 13th BCP Congress./

Thus comrades, from whatever angle we approach the question, there is but one conclusion: Restructuring is necessary in all spheres of our social life.

What is the philosophy, what are the sense and content of the initiatives which are now being introduced everywhere and which we are implementing in practice through common efforts?

/It is the creation of a full set of conditions -- economic, social, and intellectual -- for expanding the creative efforts of our society, for qualitatively new growth, and for thorough renewal in all fields./

The strategic course for qualitatively new growth seeks the combined implementation of the following:

/First,/ the scientific and technical revolution;
/Second,/ the requirements of objective social laws, and
/Third,/ the growth of socialist democracy and its heart, socialist self-management.

Our strategic course will unboubtedly be further improved and enriched through the additional accumulation of practical and theoretical experience. However, we already possess an arsenal of elaborations and decisions that permits us to implement our chosen course.

This we are doing in stages.

At present we are dealing largely with the economy.

Comrades,

As far as the economy is concerned, we have set ourselves the task of conducting a process of restructuring that will revolutionize both the base and the superstructure.

As our analysis has shown, life forcefully demands that the existing framework of structural-organizational solutions be dismantled and that room be made for contemporary trends in economic development.

The transition to new types of production structures is /objectively necessary/ to meet the demands of contemporary scientific and technical progress. This means the creation of integrated production structures capable of reacting flexibly to the dynamic processes of development. At the same time, this provides the possibility of overcoming so-called branch feudalism and the departmental approach. Though justified until recently, the branch approach has already outlived its usefulness.

/If one were to generalize, it could be said that the establishment of new types of production structures and of the respective organs for economic management is a necessity we have already experienced./

We have reached the conclusion that this requirement must be met simultaneously in the base and in the superstructure.

You know that we already made a start last year in implementing decisions of the January plenum of the BCP Central Committee concerning a deep reform of our political superstructure.

/Two councils oriented toward economics were set up under the Council of Ministers: the Economic Council and the Council of Agriculture and Forestry./

Through these councils conditions are created for concentrating the efforts of the Council of Ministers on the problems and tasks of the fields having strategic importance for the country; for a qualitatively new level of economic coordination; and for strategic control over the development of the national economy.

The ministries from the industrial sector have been disbanded. To replace the branch organs of the Council of Ministers, associations have been set up as a fundamentally new type of administrative structure, new in content, functions, and tasks.

Of course, these bodies must still reveal the new elements upon which they are based. However, one may be confident in saying even now that conditions are being created to expand the activities of self-managing organizations free of petty supervision or bureaucratic interference by organs of the Council of Ministers.

As can be seen, we have carried out great changes in the top echelon of government.

We are still at the start of the difficult road of establishing new structures. We also lack experience. We should not imagine that the road ahead will be an easy one. We will encounter difficulties due both to ingorance and the reluctance, if you like, of certain people to accept the new. And even the best thought-out structures may become bureaucratic. We already have enough lessons about that.

This is one aspect.

/On the other hand, as you know, new types of associations have already been established in eight production complexes that determine the face of our economy. These are the associations for:

electronics;
the biotechnological and chemical industry;
transportation, agricultural, and construction equipment;
investment machine building;
metallurgy and mineral raw materials;
industry for man;
agriculture, and so forth.

/On the principle of division into levels [eshelonirane], we have set up new economic trusts./ Their composition was determined on the basis of technological or product specialization in the new production complexes.

Questions concerning /enterprises/ as a basic, self-managing production unit in the economy have been cleared up. Their organizational structure has also been specified. Collective self-management organs have been formed.

In this way we are building a system of economic self-management. We have shaped it in accordance with the principle of democratic centralism from the bottom up, from the self-managing primary labor collective (brigade, section, department, shop, or shift) through the enterprise to the self-managing trusts and combines.

/I would like to go into greater detail concerning the most characteristic features of economic restructuring dealing with the new types of associations.

/First./ By setting up these associations we are making the transition to /production complexes,/ which at the present time meet the needs created by the scientific and technical revolution.

These complexes are a qualitatively new type of structure. They combine the material and cadre resources of their field, and ensure that the investment process is highly efficient. Their formation is intended to "displace" those enterprises and trusts that are guided by departmental or parochial considerations, and to make room for the development of viable and highly efficient types of production.

/Second./ The creation of the associations as /large economic groupings/ will accelerate the development of fundamentally new technological trends. It will also strengthen the position of our producers on the international market. New opportunities are opening up for specialization and integration with the fraternal socialist countries, primarily the Soviet Union.

The bulk of the new associations will be turned into some of /the most powerful economic groupings/ for the production of specific classes of goods bound for the domestic and international markets. This applies to the "Electronics" Association, the "Biotechnological and Chemical Industry" Association, the "Transportation, Agricultural, and Construction Equipment" Association, and so on.

/Third./ The creation of these associations is also connected with the further growth and spread of democracy in economic management. Their entire activity rests on the principles of self-management, on the broad use of the economic approach, on commodity-money relationships, and so on. /The motive force of economic activity in the association is not administrative coercion, but the economic interest of its members./

This will guarantee that /these new types of associations are not ministries and will not become ministries,/ as certain comrades fear. Nor will they be ministries in terms of the size of their staff. As is well known, the maximum number of administrative and management personnel permitted at an establishment is 70.

/Fourth. The associations are a union of self-managing organizations of goods producers, linked on the basis of product or technological specialization./

The associations will follow a uniform technological, investment, and market policy, and their members' activities will be strategically coordinated.

/The associations combine the interests of the state and the self-managing organizations./ They possess sufficient rights to conduct state policy. However, they do not appropriate the functions of self-managing organizations.

Accordingly, /we are not building a wall between the owner and the manager of socialist property/ -- neither in vertical interrelationships, nor from the viewpoint of self-management mechanisms. The association's activity is controlled both from above, by the state as the owner, and from below, by the producers of goods.

As an example, I will discuss certain characteristics in the construction of three such associations.

With the creation of the new "Electronics" Association, a /huge maneuver/ is essentially being carried out in the development of electronics. We are completing a number of tasks in the process.

We are reorienting the growth of electronics so it not only produces effective exports, but makes a decisive contribution to the technological renewal of the entire economy and of other areas as well.

We are moving from the production of individual machines to the production of /electronic and electronically equipped/ [elektronizirani] technological systems.

We are paying special attention to /the software industry/ and the new directions associated with its development.

Favorable conditions are being created for the accelerated development of popular /electronics/ and for its rise to the level of the world's leading companies.

I would like to point out that we have sound possibilities for setting ourselves such goals.

First of all, we have a well-developed electronics industry; we make robots;

We are successfully developing the production of modern metal-working machines with numerical programmed control;

We are also turning out the automatic lift trucks we need, as well as automated warehouse equipment, and so on.

Conditions are similar in /the cybernization of management/ and in the growth of /data and communications systems./ We have the necessary range of computers for this purpose -- personal computers, minicomputers, and a fourth generation computer. A great number of /software modules/ have been developed, which cover various sectors in social and economic management.

All this makes it possible for us to set ourselves the task of /applying electronics/ to the economy and elsewhere. We are doing this through close integration with the USSR and the other socialist states.

Practical steps are already being taken to accomplish this task. With the new production structures, /electronics application centers/ have been created in the economy -- in the associations and large economic trusts. Such centers will gradually be established in the other spheres of the economy and in the nonproductive sector.

The electronics application centers have the job of effecting, together with the "Electronics" Association, a synthesis of industrial technologies with electronics, and of solving in practical terms the problems of applying electronics to all spheres and activities in the national economy.

The second complex I will treat in detail is the /"Biotechnological and Chemical Industry"/ Association.

Here we are combining chemistry, a classical branch of knowledge, with a new field, biotechnology. Until now, these two disciplines in Bulgaria had developed largely in isolation from each other. Integration is now necessary here, both vertically and horizontally.

A structural reorganization is being carried out on this basis, and its distinguishing features are as follows:

The methods and means of biotechnology are spreading steadily to traditional types of chemical manufacturing -- /Through the synthesis of biotechnology and chemistry, fundamentally new capacities, from both the technological and market points of view, are being developed./

Completely new possibilities are also being discovered for combining into one the growth of technology, the development of equipment, and its production.

Conditions are being created for a quicker restructuring of the chemical industry on a fundamentally new foundation.

The synthesis of biological and chemical methods also means better and safer drugs, purer and more fertile soil, and so on.

The third association, that of /"Transportation, Agricultural, and Construction Equipment,"/ has been formed by combining production of forklifts and vehicles, and agricultural, construction, and road-making machinery.

The association is responsible for research, production, and trading activities for/"everything on wheels."/

The other production complexes have also been formed in a similar way. The division of production into levels within them ensures both "horizontal" and "vertical" multiplication in the creation of materials, pieces, components, assemblies, combined units, and self-contained technological modules, and their overall assembly into complete process lines and systems.

/The building of the new types of associations has been largely completed./

In the near future we must also discuss the restructuring of trade and construction.

With this, we complete an important cycle in restructuring the organization of our economy.

Comrades,

/The second task we are solving with the changeover to fundamentally new structures is that of integrating science, production, and cadre training./ Here one must note a particularly important fact: /This integration is, to put it figuratively, being implemented on the territory of producers./

Integration among science, production, and cadre training is being carried out on all levels.

It must be developed most strongly in/the economic trusts,/ as here the integration of scientific units with cadre training is being conducted in its entirety -- in its entirety, for it encompasses the training both of cadres with higher qualifications and of executive cadres with secondary schooling. We have several good examples in this area, which can also be used as models for other trusts.

At the moment, the work in the Microprocessor Systems Economic Trust in Pravets is considered the most advanced.

/What is the basic thing here?/

A modern scientific teaching and production complex has been established that combines everything into a single whole -- science, cadre training, production, and the organization of technology transfer.

A branch of the Institute of Technical Cybernetics and Robotics of the Bulgarian Academy of Sciences has been set up and attached to the trust for the development of /scientific research/. The branch is responsible for developing the trust's basic product range while training future specialists at the same time.

A branch of the Lenin Higher Machine-Electrical Institute in Sofia has also been opened, and is attached to the trust to /train cadres/. It organizes the /tertiary/ education of students, together with producers and scientific units. Here cadres with higher qualifications in microporcessor systems will be trained to meet the needs of the entirely country, and not merely those of the trust. Students of all special subjects at the Lenin Higher Machine-Electrical Institute will complete their training in microprocessors at this complex. The idea of having economic organizations provide their lastest material base for the training of future specialists is also new.

The training of cadres with secondary education will take place at a technical school that has been set up and attached to the trust. This institution will train cadres both for the trust and for all producers in the country in need of specialists in microprocessor systems.

This sort of restructuring must be carried out everywhere. It will enable us to surmount "feudalism" in science and cadre training. In this way we /will more closely link cadre training with the needs of production and development of science,/ taking an important step toward making science a productive force.

We are now forging a qualitatively new connecting chain in this area. Through the Code for Economic Activity we are introducing a /new method of payment/ for scientific research. It closely links the remuneration of scientific and research organizations with the end results of the application [vnedritelski] process. By tying science and production to cadre training, we are also linking the new method of payment with cadre training, thus creating a complete chain.

As for the associations, the /technological centers/ we are beginning to set up, which have been attached to them, may prove to be a most successful form of integration involving science and cadre training. The primary task of these centers is to conduct scientific research with strategic goals. Accordingly, the training of cadres with higher qualifications in problems of fundamental substance can be organized within them. Conditions for this exist in the technological centers, as the members of such organizations include scientific bodies from the Bulgarian Academy of Sciences, institutes of higher learning research facilities, production units, and so on, which are in a position to provide training at the most advanced level. If necessary, they can also bring in scientists from both socialist and capitalist countries.

Comrades,

We are carrying out adequate changes in planning supervision and in the financial and credit levers for managing the economy.

A new planning system is taking shape: The procedure for drafting the state plan has been amended; state orders have been drawn up; the norms have been revised for producer deductions [otchisleniya] in foreign exchange, foreign exchange coefficients, and new foreign exchange premiums and charges. A new plan in the enterprises and trusts is being developed.

Other economic conditions and norms /are now being prepared./ They cover /prices/ and their determination; the /tax system,/ and the /regulation of the "Workers Wages" Fund./ They are to take effect at the start of 1988.

/A new organization/ of payment under the conditions of the former method for setting the Workers' Wages Fund is being brought in. This is being accomplished through the broad introduction of the piecework principle -- on an individual, group, and brigade basis.

/A new system of economic contracts, as well as new regulations on trade activities,/ have been established.

The first, decisive steps have been taken in /eliminating the budgetary financing/ of capital investments.

If we assess all this, we must definitely state that the /basic principles and structure underlying the Code for Economic Activity and Self-management, are already being applied in the economic sector./ Naturally, we must still go the rest of the distance to ensure the full and comprehensive application of the new mechanism.

In accordance with the strategic course for qualitatively new growth in the economy, we adopted a/new method of assembling the state plan,/ which is settled and guaranteed by the Code for Economic Activity.

The new planning technology is well know.

The elaboration of the /draft state plan/ is organized by the government.

/The State Planning Commission/prepares the draft plan in close cooperation with the councils under the Council of Ministers and other state bodies (on a functional and territorial basis). Self-managing economic organizations and banks are also involved.

/How will we implement the plan under today's new conditions?/

Once the /state plan/ is approved, it will be submitted to all organs and organizations for their /information./ /The self-managing organizations/ will use it to revise their own plans. The /associations/will use the state plan to coordinate their work with that of the economic organizations and to conduct a uniform policy in the production complexes. The plan will be presented to the /banks/ so they may ensure its fulfillment and /control/ it /through the leva currency and the economic levers./

As a result of all this, the plan is no longer distributed in an administrative manner and its implementation is no longer carried out by administrative methods.

/The main element, the basically new factor is that the plan's fulfillment is placed on an economic foundation. This includes the new role played by the banks./ The banks will grant credits for efficient measures stemming from the plan on which manufacturers have assumed commitments. This is so, as the banks are self-financing too, and they cannot squander their capital on unprofitable activities. Otherwise they will go /bankrupt and be legally responsible.

/It is only under these conditions that the leva will become even more stable and more valuable./

It is only under these conditions that self-managing organizations and every individual dealing with economic issues will be aware of and take into account the requirements of commodity-monetary relations./

In other words, we must be clearly aware of the following: Only those with the necessary financial resources can make a decision -- and this pertains to economic organizations and banks. Any association or body without financial resources at its disposal is authorized to make decisions. They can decide when they are competent or have the requisite financial resources. No one -- absolutely no one -- can sign any agreements on credits, on trade and commercial activities, or on any other activities at the expense of self-managing organizations without special authorization in writing. This applies to party and state organs in addition to all others.

When the state is interested in financing a project for social or other reasons, and it does not meet the criteria for credits,the state must grant additional resources to self-managing organizations and the banks.

I would like to stress once more that following the government's approval of the plan it "descends" on the economic organizations not as an administrative category, but as an economic one.

A great role is assigned in this to the /commercial banks/ we are about to establish. They will be fully self-managing. These banks will arrange the financial-credit guarantee for the plan on the basis of an economic agreement with manufacturers./ With this accord, the commercial banks and their clients are assuming /mutual rights and responsibilities/ along with the incentives and sanctions stemming from this. This covers not only the efficiency of the credit resources, but the full range of economic-production activity.

On the other hand, the commercial bank will be economically responsible for the results of its operations to the Central Bank and hence, to the state.

This is why /the rights and responsibilities of the banks are firmly based on the principle: control through the leva in all places!/

Wherever there is failure in production, in the trade bank, or within the state (in the bank of banks), the guilty party will have to answer for the losses; this includes responsibility to the courts of law. As soon as a commercial bank discovers that its clients are not fulfilling their contractual obligations -- regarding production-sharing deliveries, quantity, quality, variety of goods, export, or currency obligations, or deadlines, and so forth -- sanctions must be imposed immediately. Credit must be canceled, the financial resources must be redirected, and so on. Otherwise, the bank itself will be subjected to economic sanctions and will even fail.

It is feasible, as the bank will be provided with all the necessary information on the plan and its fulfillment./

/This is so, because the bank is supposed to know everything, follow the process along all lines, see things as they develop, ward off negative phenomena, and through intervention, prevent losses by its clients and the economic groupings./

In implementing all this, we will establish conditions for the following: ending gross administrative interference in economic affairs; eliminating many of the causes of subjectivism in planning and control; overcoming red tape and parochialism; and making an increasing contribution to the real value of economic strength of the Bulgarian leva.

/Economic restructuring is unthinkable without granting extensive rights and opportunities to the trusts to merge and associate with other trusts for the solution of important economic problems./

Self-managing bodies today can form associations along horizontal lines and establish alliances, associations, and cooperatives. They can also form associations along vertical lines by becoming members of associations. In this case there should be no restrictions other than those arising from economic accountability and control of the leva. Even national boundaries are no longer an insurmountable obstacle to association. Of course, the Council of Ministers will have to approve certain large projects.

/However, these rights also entail responsibilities. They must be actively and creatively applied with sensitivity and a sense of duty. After all, we are talking about economic responsibility.

It is clear that thanks to the new enterprises, trusts, and associations, we are entering a new stage in socializing [obobshtestyavane] socialist production. At the same time, we must take a new approach to solving problems of specialization, concentration, production sharing, and the concentration of production sharing. It is to be done on an economic basis, in accordance with the interests of socialist manufacturers and their labor collectives.

The elaboration of a /new law on cooperatives, /as well as the establishment of /associations/ of commodity producers, are devoted to this problem today.

Comrades,

A new Labor Code and a new Code for Economic Activity became law in our country on 1 January 1987. In adopting these documents we /made a practical start on the process of implementing/ the principle of self-management in the economy sphere and in labor relations.

As you know, it took us a long time to prepare the new Labor Code.

In November 1982, at a Central Committee plenum, we discussed and submitted this code for nationwide discussion in the form of the basic postulates of the party's idea for a new labor code. During the discussion, which included the mass participation and lively contribution of the workers, numerous valuable proposals and additions were submitted. They were all taken into consideration by the specially established party and government commission entrusted with compiling the draft code. After extensive debate and amendment in line with the most recent postulates of the February (1985) and January (1986) plenums of the BCP Central Committee, the National Assembly adopted the new Labor Code on 21 March 1986.

The new Labor Code became a nationwide cause and was justifiably called the /labor constitution/ of the People's Republic of Bulgaria.

The basic postulates of the new Labor Code settle labor relations on the basis of broad democracy. They are preparing the ground and providing incentives for workers and collectives to participate actively in economic management as managers of our socialist property, and in solving social and economic problems in their entirety.

The Labor Code represents the chief guarantee for the expansion of democracy in labor relations and for the transformation of workers collective into a vehicle of management.

Naturally, the new Labor Code received nationwide support and attracted the attention of fraternal paties and trade union organization in many countries.

The Labor Code took effect on 1 January 1987, just as we prepared and introduced the Code for Economic Activity.

While the Labor Code regulates /labor relations/ under conditions of self-management, the Code for Economic Activity governs basic /economic relations/ under the same circumstances.

The economic code was worked out by taking the fullest account of the dictates of the naw on value under today's conditions, and commodity-money relations connected with that law. The new code regulates the activities and relations of self-managing organizations on an economic basis.

That is why these two documents have been drafted, are in force, and must be applied /in inseparable unity./

What conclusions can we draw from the work that has been done in this area?

We must point out, above all, that it is correct to view elections for self-managing bodies as an event of /great sociopolitical importance for our entire society./

For the first time brigade leaders, heads of middle-level departments, and managers of enterprises in the industrial and agricultural sectors were chosen by a direct and secret vote. Leaders of economic trusts and associations were also elected. The democratic principle in evaluating the political, professional, and moral qualities of cadres was intensified. Nearly 98 percent of the candidates proposed received the confidence of the workers collectives. The political maturity of these collectives was confirmed. Those cadres who were not given support and failed to win election were not unqualified as specialists, but were turned down because of shortcomings in their style of work and, primarily, due to their attitude toward people.

The chief result of all this is that in manufacturing, the self-management organs of workers collectives foreseen in the new Labor Code were created and are represented through general meetings, conferences of authorized representatives, and brigade and economic councils./

Thanks to all this, one of the important tasks in the self-management sector assigned by the 13th BCP Congress has been accomplished. /A new reality/ has appeared in our economic and political system and everyone -- the party and legislative bodies, as well as the executive and the sociopolitical organizations -- must take it into account.

What must we do to strengthen and consolidate these achievements of ours to further promote the process of socialist self-management?

The provisions of the Labor Code and the Code for Economic Activity must be strictly observed.

Like the Labor Code, the economic code is based on the principle of unity of /rights, obligations, and responsibilities/ of all workers and workers collectives, and of leaders and managers on all levels and in all departments. Any deviation from this tenet, any deviation whatsoever, will inevitably undermine workers' interests, as well as those of self-managing organizations, and will do irreparable damage to self-management itself.

We are obliged to /guarantee the prerequisites/ upon which self-managing organizations depend, so they may /become a living force and act upon a real economic basis./

Collective labor contracts are now concluded in accordance with the terms of the Labor Code. The new approach to signing them has run into a variety of problems. We must, through collective efforts, find ways of surmounting them. The signing of these documents must become an education/ for executive and leading cadres.

Self-managing organizations must establish /themselves as a true "second home" for workers,/ and as a natural environment of the professional, sociopolitical, and cultural life of workers collectives.

Everyone must realize that these organizations have both rights and responsibilities as far as completing the economic and social tasks of workers collectives is concerned.

In the course of their activities, party and state bodies must /regard self-managing organizations as representatives of the public interest./

We are used to thinking of the state as the sole representative of public interests. This attitude is unacceptable while spreading the postulate of owner and manager. The state is and will be the guard watching over public interests as a whole. It will intervene whenever self-managing organizations deviate from their essential tasks, and will resolutely resist any attempts to have local or group interests prevail over public ones. However, the main and determining factor here is that self-managing organizations are the representatives of public interests and must act as such.

In the future, it will be exceptionally important not to permit individual party and state figures or bodies, whose political power is great, to interfere in economic activities, making it difficult for workers collectives to do their jobs.

Therefore, we must consistently /overcome the trends of bureaucratic centralism still present,/ which create serious problems for self-managing organizations.

We must increase the /party's responsibility for the proper defense and promotion of the principles of socialist self-management./ We must clearly recognize that we, the party, are responsible whenever self-management is "restricted" and its development arrested.

Comrades,

We are dialecticians, and are aware of the fact that /development is accomplished precisely through the discovery and resolution of contradictions./

In building up basically new types of management structures, we are forming self-management organizations of manufacturers. We are spreading democracy in the economy through the new Labor Code, and are creating new economic links through the Code for Economic Activity. In doing all this, we do not delude ourselves into thinking that we have eliminated all the contradictions in our way once and for all.

On the contrary, in overcoming old contradictions, we know that /new ones may arise -- on a new basis./

Let us take, for example, the /postulate on the state as owner and the workers collective as manager of socialist property./

Is there any foundation for the emergence of a contradiction between the owner and the manager?

Of course, there is. The difference between the owner and manager produces a difference in their direct interests. This might pave the way for the appearance of contradictions between them.

This is one side of the question.

On the other hand, we have the postulate on the workers collective as manager of socialist property, which places /workers on the same level vis-a-vis the means of production./ However, it is a fact that workers collectives do not obtain the same results in production. The results of the labor invested by each worker are also different. Naturally, this leads to differences in remuneration according to the socialist principle.

/Consequently, equality in the management of socialist property does not automatically imply equality of income./ If there are differences in individual talents and qualifications, differences in their approach to work, and to their labor obligations, there will be differences in the results of the work they invest. As such it is obvious that /there will be differences in their incomes as well./ This applies not only to individual workers, but to workers collectives as a whole. Their incomes will be different, as some are better organized, work better, have better leaders, and obtain better results in the long run.

I repeat what I have said on other occasions: /At this stage there is no, nor can there be, any social equality but the equal right to work and to earn on the basis of the socialist principle of distribution -- namely, on the basis of the quantity and quality of labor invested, and in line with the social recognition for this work./

This is the /socialist type of social equality./ It is the /only form possible/ at this stage in our development.

Any violation of the socialist principle of distribution, any failure to take account of the objective conditions responsible for differences in income, means a deviation from the /principle of equality./

/Our task today is to perfect the mechanisms and criteria of objective evaluation regarding the results of work. We must elminate any violations or anomalies in remuneration according to the quantity and quality of work, and according to its social recognition./ The application of this principle demands that we take into consideration the results of the labor invested in accordance with the yardsticks of efficiency and quality, as well as the social evaluation of domestic and international markets.

Comrades, after embarking on the new road of restructuring, and after seeing a number of our visions become reality, the question arises: /What should be the main focus of our attention and where should our emphasis be placed?/

I would like to touch on three aspects of this.

First of all, there is no need for me to give detailed treatment to the /exceptional importance of promptly completing the internal structure of our trusts and new associations, and the significance of a prompt solution to problems arising from this and affecting the enterprises./ In an expression of an old truth, we note that the creation of qualitatively new structures demands that they be given new meaning. Under no circumstances should we deviate from this tenet.

This must be our basic principle in dealing with all questions of the structure, operations, and results of associations, trusts, and enterprises. It must be consistently applied in providing them with cadres. It must be implemented in asserting our modern style of work and high professional standards. We must bolster the role of the economic manager as a combination of the principle of one-man command and a broad expansion of the collective mind.

The demands of restructuring do not apply solely to leading cadres. They also concern workers collectives as a whole, and each individual worker. The rights, duties, and responsibilities to which our society is giving priority today apply to us all.

This is the first question we must treat with particular attention.

/The second is connected with the need to thoroughly prepare and perform a series of tasks arising from the reorganization in progress./

By that I mean:

The BCP Central Committee is to hold the following plenums in 1987: a plenum on the party's /social policy/ in this new stage of our development; and a plenum on the role of /ideological work/ in the fight for qualitatively new growth.

The government should map out additional measures to /meet the needs of the market/ with more and better quality goods and services.

The most urgent problems of /moral and material incentives/ for scientific workers, teachers, scientific-technical specialists, health service workers, other strata of our intelligentsia, and certain categories of employees in manufacturing are to be resolved.

The elaboration and application of efficient steps to settle /quality/ problems is to be ensured.

The implementation of the Politburo's decision on /a campaign against negative phenomena/ is to be reviewed. Further measures are to be devised, corresponding to the great requirements at all levels in this area.

Work should be done in accordance with the decisions of the February (1985) and January (1986) BCP Central Committee plenums on the perfection of scientific and technological services for the national economy.

Steps for the restructuring of social organizations are to be drafted and discussed at their respective upcoming congresses.

In 1988 the BCP Central Committee Politburo will examine a /comprehensive/ project for perfecting the structure of the National Assembly, the State Council, the Council of Ministers, and the territorial bodies.

/The third question relates to the implementation of the 1987 plan./ Along with the broad-based work of restructuring, we should by no means underestimate our specific tasks in this field.

Why?

Because /1987 is a year of decisive importance in every respect./

As you know, the 1987 plan contains important tasks in technological innovation. Compared to 1986, national income is slated to grow by 5.5 percent; social labor productivity by 6.2 percent; the volume of industrial production by 4.9 percent; and the foreign trade exchange rate by 5.7-6 percent. On this basis a corresponding increase in workers real incomes and in social per capita consumption funds has been calculated.

/These are difficult jobs, but they can be done, and are in line with our country's economic potential./

/The results/ of the January 1987 plan fulfillment show that tasks are /being done along their basic lines. The growth in volume of output by value,/ the production of certain types of goods and of retail sales shows that /positive structural changes/ are being put into effect in the national economic complex. This is being done by achieving /high rates/ in the strategic branches that are the standard-bearers of scientific-technical progress.

At the same time, the BCP Central Committee Secretariat's review of results from the implementation of the plan in January showed that the existing stage of organization does not correspond to the nature and scope of the tasks we face.

We realize that the new structures we are creating, as well as the new economic mechanism that has already begun to be implemented in practice, will fully reveal their capabilities only in the future. We know that along with this, /we must make a drastic change in economic activities, and in the growth and quality of their results./ Under these circumstances, temporary difficulties will undoubtedly arise.

However, they must be promptly overcome. An atmosphere and organization must be created conducive to the achievement of real and important results each day, each month, and each quarter.

It is necessary today to more efficiently mobilize efforts at all levels, and to apply even more fully our economic policy so that the results of 1986 can become a lasting trend in our development. With this goal in mind, our main efforts must be focused on the following matters:

/A prompt, comprehensive application and high achievements in terms of scientific-technical progress./ Our level of mastery of this /crucially important resource/ must become the basic gauge of the quality of plans laid down by economic organizations, and the yardstick for their implementation and for the evaluation of cadres;

/Our material, labor, and financial resources must be utilized with the greatest efficiency;/

/Existing opportunities must be uncovered and a greater amount of high quality goods and services must be ensured for the domestic market./ These goods and services are to be obtained from basic producers and from the branches of auxiliary production. They will also come from the self-sufficiency system, from private plots and auxiliary farms, from intensified activities involving the cooperatives; and so on.

It is particularly important to create conditions for the priority development and full functioning of enterprises having a decisive importance to our national economy. This covers those enterprises fitted with modern machines and technical equipment, which are producing high quality goods. They must have everything they need: /material resources and manpower for a changeover to a 2- or 3-shift system./ Obviously, we can no longer postpone the solution of this important problem. No justification can be considered adequate.

/I would like to draw special attention to an important trend in improving our economic efficiency, which can be an essential factor in implementing the strategic policy of qualitatively new growth./ We are talking about how to /utilize/ and /build/ production capacities.

/There are two basic questions here./

/The first/ concerns the treatment of enterprises that are not among the most efficient, have outdated machinery, and use technologies that consume great amounts of resources.

Some of them should simply be closed down. Their workers should be retrained and transferred to more efficient enterprises. Others must be redirected to new lines of production, in which they can guarantee higher incomes for their workers. A third group can be restructured as experimental stations for scientific research organizations. We are greatly in need of such centers to quicken the introduction of new technologies.

The premises vacated in such cases must be used most efficiently for the installation of /new production capacities./ Thus, we will "relax the tension" in our building program to a considerable extent.

/The second question/ is how to build new production capacities.

We have been fighting for many years to reduce the amount of architectural and building work in the construction of projects.

We have now acquired experience that shows our struggle has not been in vain.

In building small enterprises we have been somewhat successful. The architectural-construction portion is about 10 percent of the total value of small projects. It is reasonable to assume that the share of the architectural-construction portion of material production projects in the current 5-year plan period will be about 15 percent.

The question of new production capacities is closely linked to our policy of /building small and medium-size enterprises/ as one way of increasing economic efficiency.

This policy must be pursued relentlessly in the future so that by 1990 the number of small and medium-size enterprises exceeds 1,500. These enterprises are making our economy more dynamic and efficient. Thus, we should under no circumstances permit the attention shown them to wane.

Comrades, the stand of our party, of the Bulgarian National Agrarian Union, of state bodies, and of our country's social and economic organizations is unmistakable: Restructuring must be implemented everywhere, on a large scale, and at every level of administration. It must touch every cell of our society. We have decided to treat this task seriously.

Restructuring must encompass everyone: the working class, agricultural laborers, and our socialist intelligentsia. It must be the vital essence of our daily work and of all workers collectives. It must be the core of each individual's behavior and self-fulfillment.

Organization, order, and discipline must accompany the work of all collectives and individuals. This requires all of us to work, and to work with ever increasing intensity in a new way, so that the results of our labor may take on a new quality. Each of us must be well aware of this for his own work, and must transform this new way into a norm of thought and behavior in life and in professional work.

/We can and we must transform our already transformed new Bulgaria./

This is our /historic chance/, as Bulgaria has never before enjoyed such a great potential, has never had such a favorable basis for progress, has never lived in such a favorable historic environment as the fraternal, socialist community, and our increasing closeness across the spectrum with the Soviet Union.

This is what our task consists of.

The execution of this task will determine whether we all, whether each of us at his place of work, at his station as a worker and citizen, will pass the /test of our age and worthily respond/ to the challenge and demands of our time.

We must accomplish this without fail. We will do so, just as we achieved the goals we set for ourselves in the past.

DOYNOV RETURNS FROM INDIA, SRV 15 MARCH

AU152049 Sofia Domestic Service in Bulgarian 2030 GMT 15 Mar 87

[Text] Comrade Ognyan Doynov returned to Bulgaria on 15 March. He made a short business trip to India, where he held talks on expanding bilateral cooperation. He then visited Hanoi, where he took part in a meeting of the joint Bulgarian-Vietnamese Commission on Economic and Scientific-Technical Cooperation.

He was greeted at Sofia Airport by Comrade Stoyan Markov. The Indian ambassador to Bulgaria, Shiam Sunder Nath, and [name indistinct], the SRV charge d'affaires, were present as well.

EDITORIAL DISCUSSES 'SOCIALIST ENTREPRENEURSHIP'

AU101454 Bratislava PRAVDA in Slovak 5 Mar 87 p 1

[Editorial: "Socialist Entrepreneurship" -- word between slantlines published in widespace]

[Excerpts] On several occasions, appeals from party rostrums have urged our economic organizations to be socialist in their entrepreneurship as well. Despite this, the response has never been satisfactory. Even economic theoreticians viewed the term socialist entrepreneurship with restraint, as though entrepreneurship were incompatible with the new production relations. They ignored the fact that the very adjective /"socialist"/ cancels the socio-economic aspects of former entrepreneurship, which was based on capitalist principles. And all the time one need only consider the works of V.I. Lenin, who urgently demanded, in connection with the implementation of economic accountability [khozraschet], that state enterprises orient themselves toward commercial activity, raise their labor productivity, and operate not at a loss, but at a profit.

In evaluating economic cadres to date, their political and professional profiles were given. However, as a rule, not a word was wasted on whether they were capable of socialist entrepreneurship. And whenever the party agencies reproached a person for his lack of entrepreneurship, he usually defended himself by saying that the current economic management system makes no such demands, and that entrepreneurship is connected with risks that are not precisely delineated. [passage omitted] Those concerned with the problems of entrepreneurship can now ask: If truth is on their side, why should one now return to what used to be? We accept this question as a call for discussion -- a discussion not about what used to be, but about things that are essential and possible now, immediately. [passage omitted]

The problems of socialist entrepreneurship acquired new, and almost international, dimensions in connection with the establishment of direct contacts between our organizations, and, even more, Soviet ones. Unfortunately, even here we see no reason to be satisfied. At its session on 3 February 1987, the Central Committee Presidium of the Slovak Communist Party (CPSL) had to state that "so far" the great possibilities offered by this new and economically highly effective form of cooperation are being used insufficiently for the strategy of acceleration. A bureaucratic approach, insufficient initiative and activity on all managerial levels are serious obstacles here.

We already know how, and with what, to stimulate socialist entrepreneurship. We know that most things today depend on cadre quality. We need true captains of production, we need authoritative, enterprising leaders on the staff -- enterprising, because old approached cannot tackle new tasks having a historical impact as great as the ones we now face. Many of the present executives will be incapable of coping with the new tasks; and no one can say today how many of them will have to leave. But they will all start from the same position...

In spite of an often 10-to-12-hour workday, the members of our economic staff have so far had a relatively easy life. Instead of doing managerial work, they mostly hunted for things, "made demands," or negotiated the planned amounts and rate of the national income's growth. They relied on subsidies; it is not well known that subsidies granted from the state budget for "embellishing" economic results have risen to Kcs27 billion annually! In the future, management will have to consider the fact that the function of subsidies will change, that their active nature will be enhanced, and that abusing them for "charity" purposes will be suppressed.

The system of national economic management did not enforce socialist entrepreneurship, either. [passage omitted] It is interesting that quite a few of those who were initially bubbling over with enthusiasm for the expansion of the rights and autonomy of enterprises, have now suddenly reduced their enthusiasm tremendously. Because, in fact, they have realized that actions, and not loud words, will be decisive.

Such actions will also be demanded from the executive staff by working collectives. The Revolutionary Trade Union Movement [ROH] has issued a statement on their behalf concerning the principles of restructuring. In the declaration it expressed full support for these principles, and the intention to share responsibility for their elaboration and implementation in practice. The leading ROH functionaries believe the existing institutions of socialist democracy correspond to the new demands, and that there is no need to create new ones in the near future. However, another remark from the same source deserves special attention: the comment that these institutions are not eternal either, since life and practice could produce and affirm the expediency of others. [passage omitted]

Many experts believe that economic risks need not be provided with a legal foundation at present. Above all, experts feel that people in economic life should better understand the rules governing economic risks, and to make them fit our local conditions. Risks are part of every entrepreneurship and cannot be separated since the development of the national economy cannot be forecast to the last detail. A measure of uncertainty is produced, for instance, by the rapid progress of science and technology, by our limited resources, by changes in domestic and foreign markets, and so on. Until now the executive staff has been able to shift a substantial portion of its fear of risks to higher authorities. In the future, all this will be part of the powers of entrepreneurship. [passage omitted]

Comrade M. Gorbachev's words also apply to us: We have professed allegiance to the inspiring idea of Soviet Communists, and many topics from the CPSU Central Committee's January [1987] session are already being elaborated for Czechoslovak conditions.

The problems of socialist entrepreneurship are also coming to the fore in the activity of party agencies and organizations. Economic theory has already taught them that recognition of the entrepreneurial nature of economic activity in the socialist economy does not mean a retreat from political principles. Now we must establish prerequisites to enable the entire party and all working collectives to correctly grasp the conclusions reached by the CPCZ Central Committee and the CSSR Government, and the purpose of the steps they have taken. In cadre policy it is necessary to form active, creative teams not only capable of fighting the current unfavorable situation, but of entrepreneurship in the future, and of activating entire collectives for this future.

Actually, the main goal is to meet the restructuring principles halfway. This can be done by introducing economic accountability, by expanding and improving the brigade form of labor organization and remuneration, by studying the experience of innovative enterprises, and so on. In brief, instead of trying to justify why this or that cannot be done, we need people with enthusiasm, people who search for solution and are socialist entrepreneurs.

GROSSMANN, MITTAG NAMED INTELLIGENCE, SECURITY CHIEFS

DW151227 Hamburg BILD AM SONNTAG in German 15 Mar 87 p 7

[Unattributed Article: "The New Chief of 'GDR' State Security is Named Rudi"]

[Text] Erich Honecker is appointing new chiefs of his intelligence services. Werner Grossmann will succeed Markus "Misha" Wolf, the head of the 'GDR' counterintelligence service, who recently resigned. Experts consider Grossmann as one of the East bloc's "most dangerous Western experts." The new chief of the Ministry of State Security (who will replace Erich Mielke, age 79) will be his deputy, Rudi Mittig. He is a Central Committee member and confidant of Honecker's deputy, Egon Krenz.

HONECKER DISARMAMENT LETTER PRESENTED TO KOHL

AU111417 East Berlin NEUES DEUTSCHLAND in German 9 Mar 87 p 1

[Text] Bonn (ADN) -- On 5 March, Ambassador Ewald Moldt, head of the standing GDR representation in the FRG, gave Dr Wolfgang Schaeuble, minister for special tasks and chief of the Chancellery, a personal letter from SED General Secretary Erich Honecker to FRG Chancellor Helmut Kohl. In the note, Erich Honecker affirmed the appeal already expressed in his verbal message to Helmut Kohl to immediately conclude a special agreement on eliminating all intermediate-range missiles in Europe. Honecker stressed this proposal now offers a historic chance to solve this problem.

Referring to Helmut Kohl's letter of 29 October 1986, in which the FRG Government's basic interest in an agreement on intermediate-range nuclear missiles was expressed, Erich Honecker stated that much of the solution to this key issue of European nuclear disarmament depends on the attitude of the European states, not least on the FRG and GDR. In view of the latters' immediate interest in the achievement of an accord, the SED Central Committee general secretary and GDR State Council chairman proposed that representatives of the two governments meet to exchange views on how the GDR and FRG can take advantage of opportunities offered by the new Soviet proposal. Such an approach would affirm the pledge made jointly in the 12 March 1985 declaration to do everything possible to ensure that only peace and never war emanates from German soil, Erich Honecker's letter to Helmut Kohl states in conclusion.

FRG OFFICIALS ATTEND LEIPZIG FAIR, HOLD TALKS

Bangemann Meets With Honecker

LD151748 Hamburg DPA in German 1637 GMT 15 Mar 87

[Text] Leipzig (DPA) -- In a talk with GDR state and party leader Erich Honecker in Leipzig today, Martin Bangemann (FDP), federal minister for economic affairs discussed possibilities for greater travel between both German states and declared that the Federal Government is ready to negotiate on traffic projects.

After the 1-hour talk, Bangemann told journalists he and Honecker had examined the question of more visits from the GDR, particularly of age groups not covered thus far. These wishes have been noted. It has been suggested that solutions can be worked out in the context of all these questions. "Nothing was refused," Bangemann said.

Bangemann said that financial implications of traffic projects have yet to be clarified by the Federal Government. He mentioned the electrification of a railway line between West Berlin and Hanover and the extension of freeway routes.

Bangemann stated there was a large measure of agreement in part on questions of disarmament. Hans Otto Braeutigam, head of the Federal Republic's Permanent Mission in East Berlin, conveyed a verbal message from Federal Chancellor Helmut Kohl expressing readiness for talks with the GDR on problems of disarmament. In a recent letter to Kohl, Honecker suggested talks on this subject by government officials from both sides.

Bangemann spoke of good foundations for further developing all relations. They agreed that documents already negotiated on environmental protection and scientific-technological cooperation be concluded.

Mittag, Bangemann View Trade

LD160955 East Berlin ADN International Service in German 0923 GMT 16 Mar 87

[Text] Leipzig, 16 Mar ADN -- In Leipzig, Guenter Mittag, member of the Politburo, secretary of the SED Central Committee, and deputy chairman of the GDR State Council, met today with Martin Bangemann, FRG federal economics minister and FDP chairman.

Referring to yesterday's talks between Bangemann and Erich Honecker, general secretary of the SED Central Committee and State Council chairman, the two politicians discussed issues of trade and economic relations between the GDR and FRG in a businesslike and constructive atmosphere.

Guenter Mittag emphasized that dealing with these issues was part of the political dialogue the GDR promotes above all else in the spirit of safeguarding peace and improving the international climate. The GDR believes that trade with the FRG should be developed on the basis of equality and mutual benefit.

Martin Bangemann, for his part, affirmed the importance of concrete steps toward safeguarding peace and disarmament, and expressed the FRG's interest in further developing trade and economic relations.

The two politicians dealt with issues which, on the basis of results attained thus far, are of importance for further developing trade and economic ties.

The talks were also attended by Gerhard Beil, GDR minister of foreign trade, and Dr Dieter von Wuerzen, secretary of state at the FRG Federal Economics Ministry.

Ministers Brief CSU's Strauss

LD151647 East Berlin ADN International Service in German 1158 GMT 15 Mar 87

[Text] Leipzig, 15 Mar (ADN) -- Franz-Josef Strauss, minister-president of the FRG land of Bavaria and CSU chairman, visited the Leipzig Fair today. He was accompanied by CSU General Secretary Gerold Tandler; Theo Weigel, chairman of the CSU group in the FRG Bundestag; and BAYERNKURIER Chief Editor Wilfried Scharnagel.

Strauss was briefed by Gerhard Tautenhahn, minister for constuction of general machinery, agricultural machinery, and vehicles, and by Dr Alexander Schalck-Golodkowski, state secretary in the Ministry of Foreign Trade, in the Messehaus am Markdt on products of the GDR watch and clock industry, as well as the production of hunting and sporting weapons from Suhl. Leipzig Mayor Dr Bernd Seidel then received the guest for a talk.

Honecker, Strauss Discuss Ties

LD152001 East Berlin ADN International Service in German 1820 GMT 15 Mar 87

[Text] Leipzig, 15 Mar (ADN) — Erich Honecker, general secretary of the SED Central Committee and chairman of the Council of State, on Sunday [15 March] received F.J. Strauss, minister-president of the Free State of Bavaria and CSU chairman, for talks on the occasion of the Leipzig Spring Fair. They spoke on the international situation and on further developing relations between the FRG and GDR. They also discussed further possibilities for cooperation between the GDR and the Free State of Bavaria.

The two parties agreed that securing peace remains today's main task and that in this matter the two German states must fully recognize their responsibility. In this connection, the proposals of Mikhail Gorbachev, general secretary of the CPSU Central Committee, for totally eliminating medium-range missiles in Europe and reducing them in Asia and the United States received particular praise as a significant initiative.

It should be in the two German states' immediate interest to do everything to use this chance for effective disarmament measures, and to fully take advantage of resulting from it, particularly for Europe.

In discussing relations between the GDR and FRG, the two sides agreed that they are to be seen as an important part of all-European cooperation, and that an impetus for peaceful cooperation in Europe must arise from these ties.

Erich Honecker stressed the GDR's readiness to expand relations further on the basis of concluded treaties. He stressed that the GDR will continue its dialogue with political forces in the FRG, and will strive for treaty regulations in other specialized areas as well as for expanding trade and economic relations. Important fields of potential cooperation include environmental protection, science and culture, and the humanitarian sphere.

F.J. Strauss presented his views on international issues and on the further development of relations. He stressed the governing coalition's interest in further developing cooperation, while placing special stress on the standing of trade and economic links for all-round relations.

They then exchanged ideas on further possibilities for developing cooperation between the GDR and the Free State of Bavaria.

F.J. Strauss stated that these relations had developed positively in various fields, and that additional proposals should be discussed and realized at the appropriate levels, especially in trade.

Taking part in the conversation were Guenter Mittag, member of the Politburo and secretary of the SED Central Committee; Dr Alexander Schalck-Golodowski, member of the SED Central Committee and state secretary in the Ministry of Foreign Trade; and Frank-Joachim Herrmann, secretary of state and chief of the Chancery of the Council of State chairman.

Accompanying F.J. Strauss were CSU General Secretary Gerold Tandler and Theo Waiyel, first deputy chairman of the CDU/CSU Bundestag group.

Honecker, Diepgen Hold Talks

LD151920 East Berlin ADN International Service in German 1822 GMT 15 Mar 87

[Text] Leipzig, 15 Mar (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, today received Eberhard Diepgen, governing mayor of Berlin (West), for talks. The meeting focussed on the issue of securing peace. Erich Honecker stressed that everything else had to be considered secondary to this main issue. The GDR came out in favor of strict adherence to and full application of the quadripartite agreement of 3 September 1971 and in favor of positively shaping relations between the GDR and Berlin (West). It is convinced that a normal atmosphere, marked by respect for the rights and interests of both sides, is an indispensable condition for peace in Europe.

The positive results achieved in recent years in relations between the GDR and Berlin (West) have confirmed that with realism and goodwill on the part of both sides, progress is attainable. the two sides stated that trade and economic relations between the GDR and Berlin (West) have developed well, and that particularly in 1986, supplies from Berlin (West) to the GDR increased appreciably. This applies most of all to supplies of investment goods from Berlin (West). The two sides highlighted their intention of further expanding trade between the GDR and Berlin (West).

During the meeting, other issues of mutual interest were discussed, and possibilities of cooperation in many fields were broached, including the 750th anniversary celebrations for Berlin.

Also taking part in the talk were Guenter Mittag, member of the Politburo, secretary of the SED Central Committee, and deputy chairman of the Council of State; Minister for Foreign Trade Gerhard Beil; Frank-Joachim Herrmann, chief of the Chancery of the chairman of the Council of State; Elmar Pieroth, senator for economic affairs and labor; senior Senate officials Gerald Hennenhoefer Lothar Kaltofen; and Franz Roesch, director of the Industry and Trade Trust (TSI).

CEREMONIES HELD TO MARK 1848 REVOLUTION

Unauthorized Demonstration Staged

AU151751 Paris AFP in English 1746 GMT 15 Mar 87

[Text] Budapest, March 15 (AFP) -- More than 2,000 persons marched for two-and-a-half hours here Sunday in an unauthorised demonstration marking the anniversary of the 1848 revolution in Hungary. Police did not intervene.

Observers said it was the biggest March 15 turn out since the unofficial demonstrations started 15 years ago on a day that is also marked by official commemoration. Last year there were clashes between police and demonstrators and arrests were made.

Sunday's demonstrators were mainly students and political oppositionists, including architect Laszlo Rajk, who earlier called on the authorities not to intervene and to let the population celebrate the national holiday as it saw fit.

March 15, 1848, saw the start of the Hungarian revolt against the Habsburg Empire, culminating in independence for Hungary a month later. But in 1849 the first independent Hungarian Government was crushed by the Austrians, with Russian aid.

At the statue of poet Sandor Petofi, spokesman of the 1848 insurrection, members of Hungary's "democratic opposition" placed a wreath.

Gyorgy Gado, aditor of the clandestine newspaper DEMOKRATA (THE DEMOCRAT), made a speech echoing Petofi's call for freedom of assembly, freedom of the press, and freedom of speech.

He expressed hope that one day there would be a statue to Imre Nagy, the prime minister hanged after the 1956 Budapest uprising was put down by Soviet forces.

The demonstrators also sang the national anthem of Transylvania, a region of Romania where two million ethnic Hungarians live. Dissidents there accuse the Romanian authorities of trying to enforce assimilation.

Leaders Attend Wreath Laying

LD151736 Budapest MTI in English 1549 GMT 15 Mar 87

[Excerpt] Budapest, March 15 (MTI) -- On Sunday wreath-laying ceremonies and rallies were organized in Hungary to mark the bourgeois revolution which broke out in Budapest on March 15, 1848 and the subsequent war of independence, an outsanding event of Hungarian history.

Hundreds of people gathered at the statue of Sandor Petofi in Budapest's March 15 Square to pay tribute to the memory of the revolutionary poet. First the national anthem was played, and then wreathes were laid by representatives of the Hungarian Socialist Workers' Party, the Communist Youth Union of Hungary [KISZ], the Patriotic People's Front, other social organizations and the Armed Forces and bodies.

The Presidium of the festive rally organized in front of the Hungarian National Museum with thousands of participants by the KISZ Central Committee and the National Council of the Patriotic People's Front, included Csaba Hamori, first secretary of the KISZ Central Committee, Miklos Ovari, secretary of the HSWP Central Committee, members of the HSWP Political Committee, and founding members of the anti-war "March Front" formed 50 years ago.

Imre Pozsgay, general secretary of the National Council of the Patriotic People's Front, gave a festive speech at the rally. [passage omitted]

Pozsgay Comments on Mass Rally

LD152104 Budapest Television Service in Hungarian 1800 GMT 15 Mar 87

[From "The Week" program: Interview with Imre Pozsgay, general secretary of the Patriotic People's Front, by unidentified correspondent on 15 March; place not given -- recorded]

[Text] [Correspondent] Good evening. First of all, I would like to ask what it was that justified, or what the reason was for the fact that, contrary to past years, the festive speech at today's ceremony was delivered by you, the general secretary?

[Pozsgay] Perhaps so we could somehow proclaim this as the festival of every social group and stratum. Our country has no groups with their own special hallmark. The goal was to make this felt in some way, and I was happy that it fell to me. Not only our young people and students, but our entire nation is bound to 15 March by ties of almost personal experience. Our predecessors, our forebears, have in some way bequeathed this experience and its lessons to us. Chief among these is the one which notes that in various historical situations, one must know how to act. We would have liked to highlight the action, the things of today.

[Correspondent] Also implicit in this is that we, too, are living through a historical situation or situations.

[Pozsgay] There are always historical situations. It is something like this: One walks, unsuspecting, across the scene of history, and if one were to live on, he would learn from the books and novels of his successors that he had been taking in world history just then. This is how it is with ordinary people and I include myself among them. I believe that what we need today is not so much a festive mood or a burning enthusiasm, but circumspection.

[Correspondent] Let us look at it a little more concretely to see just what the average person must do. We taped an interview with you immediately after the ceremony, if I remember rightly, in the hall of the Hungarian National Museum. There you said something to the effect that public life must be opened up more before the people to give the ideas of bygone eras some meaning.

[Pozsgay] Yes, the reason I spoke of this openness in public life is because I believe, I am convinced, that this country has a hard-working people. We reproach ourselves a great deal, and criticize our compatriots for shortfalls in performance. However, I see that people are willing to work until their backs break if they themselves can have an influence on the conditions under which they live and that shape their labor.

We want nothing other than institutions, possibilities for initiative, where this personal will and readiness for action -- which is at times inflamed by passion -- adds up to a great national social achievement, where the sense of solidarity in people grows strong on the soil of socialism, where the belief that it is worth joining in great social objectives is revitalized. What is needed here are more direct institutions within their own environment, self-administration, possibilities for association.

[Correspondent] Within the framework of the Patriotic People's Front as an organization, are there already any ideas, or possibly initiatives, as to what concrete forums should be set up first?

[Pozsgay] There are such concepts, and it may sound odd coming from me right now, but we rely a bit on people's initiatives. I might even say what we want to do is open up the field rather than lay down a course. The course is laid down by our laws. It is also laid down by our Constitution and by the rule of socialist coexistence that has brought to Hungary a great achievement with socialist foundations. Let people take initiatives within this framework, or -- to be more precise -- with these foundations. We would like to create further possibilities in this regard.

[Correspondent] Of course, we must also consider that on the grounds of initiatives new rules may have to be created; or that these initiatives will want to go in a direction that must be guaranteed by new rules of social coexistence.

[Pozsgay] I think this also has to change. I might put it like this: Sometimes we have to overcome our own selves and realize that not every rule of law, not every indicator employed until now, belongs to the realm of things sacred and eternal. We have to be able to step beyond certain things. This intention of stepping beyond and of renewal should be supported in the People's Front, as well.

SZUROS TO MEET U.S. OFFICIALS DURING VISIT

LD141058 Budapest in Hungarian to Australia and New Zealand 1000 GMT 14 Mar 87

[Text] Matyas Szuros, chairman of the National Assembly Foreign Affairs Committee and secretary of the party Central Committee, has traveled to the United States. Matyas Szueros, who was invited by Dante Fascell, chairman of the House of Representatives Foreign Affairs Committee, will hold talks with leading figures from the official, social, and economic life of the United States.

USSR'S SHISHLIN HOLDS TALKS IN BUDAPEST

LD141258 Budapest Domestic Service in Hungarian 1100 GMT 14 Mar 87

[Text] Nikolay Shishlin, deputy chief of the CPSU Central Committee Propaganda Department, has held talks in Budapest. He discussed international information with Janos Barabas, deputy chief of a Central Committee Department, and briefed experts in the field. Nikolay Shishlin was also received by Central Committee Secretary Janos Berecz.

VERESS ATTENDS ECONOMIC TALKS IN FRG

LD131320 Budapest MTI in English 1138 GMT 13 Mar 87

[Text] Bonn, March 13 (MTI) -- Hungarian Minister of Foreign Trade Peter Veress and Martin Bangemann, minister of economics of the Federal Republic of Germany, signed the protocol on the 9th session of the Hungarian-FRG economic, industrial and technical cooperation joint committee, in Bonn Friday. At talks Peter Veress and Martin Bangemann discussed timely issues of economic relations between the two countries, and opportunities to deepen cooperation and found joint ventures in Hungary.

The Hungarian minister also held talks with Vice-Chancellor and Minister for Foreign Affairs Hans-Dietrich Genscher, Franz Josef Strauss, Bavarian prime minister, and Anton Jaumann, Bavarian minister of economics and transportation. Peter Veress visited the Knorr Bremse, the Klockner and Mannesmann firms, which maintain traditional relations with Hungarian economy.

The two-day session of the FRG-Hungarian economic joint committee was held in Munich, and the sides focused attention on issues of how the significant bilateral trade turnover between the two countries can be further increased, and ways to strengthen economic cooperation which at present is based on more than 300 cooperation agreements. On the occasion of the conference, the West German Ministry of Economics published data which indicate that Hungary stands second after the Soviet Union in FRG trade realized with the CMEA countries. The value of bilateral goods turnover in 1986 was 5,100 million DM: The FRG imported goods worth 2,100 million DM from Hungary, and exported goods worth 3,000 million DM.

The sides mutually stated that a condition for further advance in the field of economic cooperation is to better rely on new forms as, for instance, the producing joint ventures in Hungary. FRG firms are the foreign partners in some 20 such ventures.

The sides also agreed that results attained so far in economic relations provide good basis for future development, and the regulations in Hungary offer favourable conditions for the founding of joint ventures. With respect to the founding of ventures, the FRG provide new markets for them in Hungary and in the CMEA countries.

The FRG delegation reconfirmed that Bonn invariably supports the conclusion of an agreement between Hungary and the West European community. It continues to take the stand that the Brussels committee should receive authorization from the member countries which genuinely reflects the well-founded demands represented by Hungary, and thus opens the way to reaching an agreement.

Prior to the session of Rheinland-Pfalz. [sentence as received] The event was attended by representatives of several major and medium FRG companies, who were briefed by Hungarian representatives about opportunities to develop trade and cooperation with Hungary, the regulations related to the companies founded in Hungary with foreign capital, and the conditions of their operation.

Hungarian Deputy Foreign Trade Minister Tibor Melega held a lecture in which he recalled that within general FRG-Hungarian trade, there are good chances to deepen cooperation between Rheinland-Pfalz and Hungary. He referred to the fact that the prominent BASF firm has a joint venture in Hungary which manufactures polyurethene systems, and the Hungarian Kaev company has cooperated with the Schon firm for the past 20 years in the production of shoe industry machines. The 2,500th machine made under this cooperation will shortly be delivered. The value of turnover in the last two decades was 35 million DM.

JOINT TURKISH TRADE COMMITTEE MEETS IN BUDAPEST

LD150429 Budapest MTI in English 1745 GMT 14 Mar 87

[Summary] March 14 (MTI) -- The Hungarian-Turkish trade and economic cooperation joint committee held its 7th session in Budapest from March 11 to 14. It was stated that bilateral trade and economic relations were developing in accordance with the aims set at the high-level meetings of recent years. The committee discussed the main areas of company cooperation in commerce and production in the period to come. Special attention was paid to cooperation in the energetics industry, agriculture, the gas industry, transport vehicle production, the construction and light industries, and the formation of joint companies. The Hungarian delegation was headed by Istvan Turok, under-secretary of state at the Ministry of Foreign Trade, and the Turkish delegation by Yavuz Canevi, secretary of state for trade and finance. Deputy Prime Minister Jozsef Marjai met the head of the Turkish delegation. Yavuz Canevi held talks with Ministers Laszlo Kapolyi of industry and Jeno Vancsa of agriculture, Janos Fekete, first vice-president of the National Bank of Hungary, and Tamas Beck, president of the Hungarian Chamber of Commerce.

TRYBUNA LUDU VIEWS 'PRAGMATISM' IN U.S. RELATIONS

AU121209 Warsaw TRYBUNA LUDU in Polish 10 Mar 87 p 5

[Wlodzimierz Lozinski commentary: "One Step at a Time"]

[Text] Our title characterizes the American view of the speed and way in which Polish relations are being normalized. It is not meant to signify pragmatic sluggishness and caution on the part of the administration as it moves from restrictions to realism and from the application of pressure to the recognition of reality and mutual advantage between two sovereign partners. Thus far, the visit to the United States by Jozef Czyrek, chairman of the Sejm Foreign Affairs Commission, and his entourage seems to confirm that pragmatism is slowly beginning to influence the view of Poland.

We have nothing against the use of the phrase "one step at a time." How could we, when objective reality depicts Poland as a partner very much interested in normalizing and developing bilateral political, economic, trade, and scientific-technological relations? Poland's interest even involves a certain excess of social expectations. The sanctions have just been lifted and already one can hear voices here and there saying everything will be much better and faster now, that the Polish economy's basic difficulties will disappear as if by the touch of a magic wand, and American markets will now be open to us and dollars for capital investments or for a reconstruction of industrial facilities will flow in.

Beliefs of this sort are a kind of Polish "wishful thinking" [preceding two words in English, followed by the Polish word "chciejstwo" in parenthesis] or illusion. Illusions like this in the past have sometimes cost us dearly. Sometimes we masked our real possibilities and true international conditions with illusions, and forgot the need to be industrious and energetic. Today we must free ourselves of these illusions in light of the latest events.

Our experience and America's "one step at a time" really signify a series of conditions shaping a new reality. For example, in a television interview the day after the sanctions were lifted, Assistant Secretary of State Thomas Simons said that "the United States has no guilty conscience concerning the effects of the sanctions" and that now the United States would like to develop it ties with Poland on the principle of "mutual advantage."

It is possible to feel innocent, but it is impossible to forget that 5 years of sanctions and pressure on Ameria's allies cost Poland $15 billion in economic losses. It is impossible to forget that in this period, Polish-U.S. trade fell from $450 million a year to $220 million between 1983 and 1984, and rose to $255 million in 1986. Therefore, the question arises: How quickly will the conditions necessary to restore the pre-1981 trade level which can no longer satisfy us, come about?

So all we expect to follow the lifting of sanctions is the slow replenishment of losses and the slow creation of conditions whereby both sides will find a way to increase Polish exports and consequently settle Poland's debts.

Another issue is the debts themselves since the sanctions have had a direct effect on them. The American feeling of innocence will not change the fact that Poland has not rebuilt its economy at the desired speed, did not possess export possibilities, and could not make earlier use of its benefits as a members of the IMF and World Bank. It was the result of Washington's objections that Poland's membership in these organizations was not restored until last year.

The third issue in the field of illusion and reality is America's political strategy toward Poland. One burning question is: To what extent will the lifting of sanctions change Washington's strategy of differentiating between socialist countries, treating them as tools, and applying the "carrot and stick" principle on the basis of one-sided criteria?

No official American statement since the end of sanctions justifies any hope for a change in this strategy. After all, the views of President Reagan and the members of his administration are simply a recognition that sanctions are obsolete or no longer work.

One can judge from these assessments that U.S. strategy remains unaltered, and that its essence is still the treatment of Poland and other East European states as tools. In a nutshell, U.S. interests remain the dominant factor even in the expansion of bilateral relations. This should be remembered for two reasons: first, so that no one will harbor any illusions and wait for manna from heaven; and second, so that the strategy of American interests may be counterbalanced by Polish interests as the common denominator in mutual pragmatic relations.

The very lifting of sanctions seems an honorable step toward American pragmatism. One may judge on the basis of other facts that, together with the continuation of the strategic doctrine of differentiation, Washington's pragmatism has begun to play a greater role in current politics. Polish relations are not the only matter involved. Last week saw a positive reply by the U.S. Administration to the Soviet proposal to free Europe from intermediate-range nuclear missiles.

This augurs well for improved superpower relations, on which so much depends in Europe and the world as a whole.

The possibility of detente and a disarmament accord that is now taking shape should include today's political realities and encourage an improvement in American-Polish relations. Here, the United States must realize the territorial-political reality of a post-Potsdam Europe and Poland open to broad cooperation and free from propaganda and tension.

TRYBUNA LUDU has also written of the need for both partners in Polish-American relations to be treated equally. Apart from respect for the current political order in Europe, this equality calls for direct intergovernmental state dialogue and an end to clandestine propaganda encroaching on the domestic affairs of both states.

If America's idea of pragmatism includes these principles, normalization may have a good future.

'OPAL 87' MILITARY EXERCISES CONTINUE, CONCLUDE

Colonel Reports on Observers

LD131334 Warsaw Domestic Service in Polish 1105 GMT 13 Mar 87

[Text] The Polish "Opal 87" military exercises are being watched by representatives of the state-signatories of the CSCE Final Act. The 12th Mechanized Division is showing its skills at a range in the Pomeranian Military District. Our reporter spoke with its commander, Colonel Jerzy Slowinski:

[Begin recording] [Slowinski] After a 12-minute defensive battle, the observers will go to the subunits, and will have an opportunity to see the deployment of ground troops and the organization of defensive fire.

[Correspondent] Will they have a chance to talk to the troops at this point in the maneuvers?

[Slowinski] That is up to the observers, but I think they will probably speak to the troops. We have no secrets. The observers can familiarize themselves with anything they want and have time for. During the exercise the division will show not only its firepower and its organizational and tactical strength, but also its organization of forces and armament. I think the soldiers have already passed the test, and the exercise watched by the observers should show we have not wasted our time on the range, and that we demonstrated the proper skills of the 12th Division's soldiers, and of the Polish People's Army in general. [end recording]

PAP Considers Stockholm Accord

AU131718 Warsaw ZOLNIERZ WOLNOSCI in Polish 11 Mar 87 p 1

[PAP commentary: "The Practical Implementation of the Stockholm Agreements"]

[Text] Soldiers of the Polish Army are training under particularly severe winter conditions this year; this is a routine part of army training. Troops of the 12th Mechanized Division began preparing -- as part of their routing training -- for the "Opal 87" maneuvers on 9 March. On 12 and 13 March the number of soldiers taking part will reach 18,000. That is when military observers from the CSCE signatory countries will be present at the exercise site surrounding Drawsko Pomorskie.

"Opal 87" is the first Polish Army exercise to which foreign observers have been invited in 11 years. This is a result of the CSCE agreements signed in Stockholm on 22 September 1986. For the first time in the history of European disarmament efforts, this conference ended with the definition of practical measures guaranteeing increased security on our continent. It is considered very important that the CSCE countries confirmed in Stockholm that they would respect the principle of the nonuse of force to reduce the sovereignty of other states. However, not even the weightiest political declarations can replace concrete guarantees to credibly lessen the danger of an armed conflict in Europe and to prevent mistaken assessments of military activity in peacetime.

In light of aggressive military doctrine, there is a danger of large-scale maneuvers becoming a real conflict; our country is particularly exposed to such a threat. The significance of the Stockholm final document is that it limits the scope of military activity and introduces the obligation to reveal annual plans for such things. It also notes that exercises involving 13,000 or more soldiers must be reported, and that observers must be invited to maneuvers with 18,000 or more troops. It also permits inspections of military activity in every country that has signed the final document.

Poland has fully discharged its duty to reveal the annual plan of its military activity. We have released appropriate information and informed the CSCE states about "Opal 87" at the proper time.

Observers from 22 countries will be able to make full use of their rights, and the Polish Army will guarantee them all the technical conditions called for by the Stockholm final document and those necessary for the optimal performance of their mission. The "Opal 87" scenario reflects the defensive nature of our military doctrine, and the observers will be able to convince themselves of our soldiers' efficiency and their excellent command of combat technology. The "Opal 87" exercise reinforces our sincere policy in the work of detente and confidence-building in Europe.

Observers Praise Army

LD141824 Warsaw Domestic Service in Polish 1800 GMT 14 Mar 87

[Excerpt] The "Opal 87" Polish Army exercises have ended. Observers from 22 signatory states of the CSCE Final Act who participated stated unanimously that the Polish Army offered an excellent example of the practical implementation of the resolutions drawn at the CSCE sessions in Stockholm. [passage omitted]

PRC'S WU XUEQIAN DEPARTS WARSAW FOR SOFIA

LD131323 Warsaw Domestic Service in Polish 1300 GMT 13 Mar 87

[Text] PRC Foreign Minister Wu Xueqian has ended his official visit to Poland. The Chinese guest, who left for Sofia, was seen off at Warsaw Airport by Foreign Minister Marian Orzechowski. The Chinese and Bulgarian ambassadors were also present.

The head of the Chinese diplomatic service was received by Sejm Speaker Roman Malinowski this morning. Their discussion focused on the work of both states' parliaments, their role in introducing reforms, and their part in the process of socialist democracy. The importance of parliamentary contacts for the development of versatile cooperation and friendship between both states and nations was stressed.

RZECZPOSPOLITA REPORTS 3 MAR URBAN NEWS CONFERENCE

AU111422 Warsaw RZECZPOSPOLITA in Polish 9 Mar 87 p 4

["Transcript" of the 3 March news Conference held by Government Spokesman Jerzy Urban for Foreign and Polish Journalists in Warsaw]

[Excerpts] [passage omitted] Christopher Bobinski, FINANCIAL TIMES: I have already asked about the recent session of the Consultative Council under the State Council chairman. I would now like to ask why the reports on this meeting were so restrained in light of the fact that the curtain is up in Poland and the policy of "glasnost" is in operation next door?

Urban: I thought PAP published a very informative report on that session. Those who want to learn more about the session's details and to find out exactly what was said and by whom must be a little more patient, as dozens of people took the floor and because every speaker has the right to check on the planned press version of his speech. Many of these speakers are very busy or are on trips, but your curiosity will be satisfied. Complete and detailed information on the session will be published.

Michael Kaufman, THE NEW YORK TIMES: The IMF has now completed a report on the Polish economy in line with Paragraph 4 on consultations. The proposals in the report are not surprising in that they call for an end to subsidies, increased food prices, a wage freeze, and the quicker elimination of inefficient enterprises from the economy by declaring them bankrupt. All this should be done as soon as possible. The government programs follow the same lines. Could you give us a specific example showing that something has been done in Poland to this effect?

Urban: The lines of these recommendations are consistent with our economic policy. I can give you an example of bankruptcy in that dozens of enterprises have been declared bankrupt: Three have been liquidated, and several hundred enterprises that have been refused credits by the bank could be regarded as bankrupt. Another example: This year's plan provides for the same level of subsidies as in 1986; however, the fall in the value of the zloty means this year these subsidies will be 15 percent lower than last year.

This is how we propose to reduce subsidies for enterprises and for certain goods each year. [passage omitted]

Renata Marsch, DPA: Yesterday the militia interrupted a news conference in Mr Kuron's private apartment. The militiamen said they received an anonymous tip that an illegal meeting was taking place in that apartment. Could you cite the regulations that forbid a Polish citizen to speak to journalists in his own apartment?

Urban: Article 1, Item 2 of the Law on Meetings of 29 March 1962 states: "A meeting is any kind of a concourse of persons who wish to engage in joint deliberations or to jointly demonstrate their position. Permission is necessary for meetings to be convened and disbanded, except for those fully or partly exempted from this obligation." This exemption applies to government bodies, the state administration, legal political organizations, legal trade unions, and so on. Partial exemption applies to meetings of members and authorities of legally existing organizations, to church services, and so on. Administrative bodies with the necessary powers regarding public and administrative issues grant permissions for meetings. In the case you mentioned, permission should have been granted by the head of the Public-Administrative Department of the Zoliborz precinct Internal Affairs Office. [passage omitted] I would like to add that the Press and Information Department of the Ministry of Foreign Affairs has ruled that participation in illegal meetings and gatherings goes beyond the status of foreign journalists in Poland. [passage omitted]

Batista, the new Warsaw correspondent of PRENSA LATINA: Both sides were satisfied with the talks [Poland's] Baka had with the IMF. When you were in London you said this could be the right moment for the United States to show political goodwill. Could you tell us whether the United States has made any additional gestures in that direction?

Urban: No, but economic talks with the United States are still ahead. We hope to make a review of general bilateral relations, including our economic ties. We expect that the lifting of restrictions will not be an empty gesture, but will initiate the development of the economic cooperation we desire. Between 23 and 27 February talks were held in Washington on a new accord covering scientific-technological collaboration, which is also a very important sector of cooperation, and one that affects our economy. Views on the range, contents, and fiscal aspects of the new accord were exchanged and agreement on some of its elements was reached. The talks took place in a good atmosphere and will be continued in Warsaw either in April or May. We think it will be possible to complete a bilateral accord in the second round of talks.

Michael Kaufman: I have a few questions. The militia entered Mr Kuron's apartment at the precise moment when Kuron was telling foreign journalists there was some evidence that the militia's pressure was relenting. [paragraph continues]

Don't you think that it was clumsiness -- to say the least -- on the militia's part to intervene just when it was being said that the militia had somewhat relaxed its pursuit of the opposition? My second question involves what you said about foreign journalists' presence at that conference exceeding their status as newsmen in Poland. I think your statement directly contradicts the Helsinki accord, which was also signed by the Polish Government. It is in conflict because we must be where the events are taking place to report on them. What occurred here is also inconsistent with what is now taking place in the USSR under the policy of glasnost. Let me cite the PRAVDA statement yesterday that PRAVDA will also gather information wherever it is born, that is, where events actually occur. By saying this, PRAVADA seems to by implying that such activity did not exist previously. Altogether it seems that the Polish authorities' stand is in open conflict with contracted obligations and with what is taking place in the USSR. I think that is all I wanted to say.

Urban: Your first question. If Mr Kuron gave a negative appraisal of the militia's activities -- accusing it of failing to discharge its duties -- then I regard it as a very fortunate coincidence that the militia entered his apartment at that very moment, demonstrating that it does duly dischange its duties.

Second, you say that disbanding an illegal meeting was in conflict with the Helsinki accord. First, the Helsinki accord does not annul the domestic laws of its signatories, as it respects their sovereignty and integrity. Second, the accord speaks of a free flow of information, and information flows freely in Poland. Actually, there is an all-too-free flow of information from Messrs Kuron and Romaszewski. However, journalistic efforts to obtain information are one thing and journalistic efforts to construe information and to hold illegal meetings are another in light of Poland's law on meetings.

You say that what happened in Kuron's apartment does not jibe with what is taking place in the USSR. I can assure you that our transformation is linked to that of the USSR, which we admire and fully support. However, regardless of whether your interpretation of what is and is not allowed in the USSR is true or not -- I do not know if it is -- what matters is that in Poland it is the regulations adopted by the Sejm that are in force. And it is these regulations that the forces of order observe when doing their duty and -- I want to stress this -- when fulfilling the governments's wish that the rule of law and the country's domestic peace and stability be maintained and strengthened by every measure, which should be as tolerant as possible and always consistent with the law. [passage omitted]

Kevin Ruane, BBC: Toward the end of last week PAP announced that a blast had occurred in front of the PZPR Committee in Gdynia. Any details? What about results of investigations?

Urban: Intensive investigations are continuing, but we still do not know who was responsible for that criminal explosion. Whoever is behind it has committed a provocation in conflict with Poland's traditions and cultures. Our people knew about time bombs only from newspaper reports on terrorism in Western countries. Although such deeds as installing launchers for tear gas grenades in Krakow or setting Tricity apartments alight were obvious examples of terrorism, a time bomb had never been planted in Poland. It was sheer luck no one was near the blast, as fragments of the bomb flew with force in a 50-meter radius and were scattered all over the street within a 100-meter radius. The blast shattered a metal container with walls thicker than a combat grenade. Each piece could have killed a human being; tragedies could have occurred. Whoever planted the bomb knew this could have happened. The time bomb was assembled with skill, which means that the bomber knew what was going to happen and understood he might kill and mutilate human beings. [passage omitted]

CEAUSESCU BEGINS OFFICIAL TALKS IN BANGLADESH

Meets With Ershad

AU131911 Bucharest AGERPRES in English 1603 GMT 13 Mar 87

[Text] Dhaka AGERPRES 13/03/1987 -- Official talks started between Romania's President Nicolae Ceausescu and the president of the People's Republic of Bangladesh, Hussain Mohammad Ershad.

The talks were attended:

For Romania by: Mme Elena Ceausescu, Deputy Prime Minister Dimitrie Ancuta, Foreign Minister Ioan Totu and other officials.

For Bangladesh by: Moudud Ahmed, deputy prime minister and minister of industry, Humayun Rashid Chowdhury, minister of foreign affairs, M. Syeduzzama, minister of finance, and other officials.

President Hussain Mohammad Ershad expressed his hope that President Nicolae Ceausescu's visit to Bangladesh would give fresh impetus to the cooperation between the two countries and peoples.

Romania's president expressed his belief that the exchange of opinions occasioned by the visit would lead to identifying means and possibilities apt to confer more dynamism and stability on the ties of collaboration between Romania and Bangladesh.

During the talks information was exchanged on the current preoccupations of the two countries and peoples, and a survey was made of the present stage in the relations between Romania and Bangladesh. It was stressed that the development of political, economic, technical-scientific and cultural links between the two countries fully met the two countries' interests of progress and free development, the interests of international peace and collaboration

An array of proposals and specific ways for the growth of bilateral eonomic cooperation in such domains as oil industry, chemicalization, gases and fishery, light industry, transport were also discussed. It was assessed that the long-term cooperation signed during the visit provided the legal framework for a long-range productive collaboration and cooperation. Special emphasis was placed on the important role the setting up of joint companies can play in that respect.

During the talks a survey was also made of the current international situation. Both sides set forth their opinions on the major international issues.

Concern was shown over the deterioration of the international situation following the policy of the use and threat of force, of interference in the internal affairs of other states and, especially, the escalation of the arms race, of the nuclear one in the first place.

The necessity was underscored that the peoples should act still more closely to stop the course toward confrontation and war, bring about the assertion of the detente and peace policy, solve the serious problems facing mankind in the interest of world peace and understanding.

Stress was laid on the need to achieve disarmament, nuclear disarmament first and foremost, reach understandings apt to solve by stages the questions regarding the elimination of nuclear arms.

The imperative was also underlined to do everything possible for the elimination of the use and threat of force from the international life. Along this line, it was shown that the Middle East conflict should be settled and a just and lasting peace be established in the area, with Israel's withdrawal from all the Arab territories occupied and the recognition of the Palestinian people's rights, including the right to an independent state of its own, as a starting point.

Emphasis was placed on the support and solidarity with the Namibian people's fight for its homeland's independence.

Concern was shown over the serious world economic problems, with emphasis on the need to do everything for the eradication of underdevelopment, including the developing countries' foreign debts, for new-type relations based on full equality and equity, a new economic order apt to ensure faster progress to all states, more particularly to the developing ones. The need was stressed that a conference should be called under the UN aegis to be attended, on an equal footing, both by developing and by developed countries with a view to solving those problems.

The importance was underscored to strengthen solidarity and collaboration among developing countries in the fight for the ensurance of their economic and social progress. The necessity was also highlighted to strengthen the role of non-aligned countries in the struggle for the promotion of a policy of independence, collaboration and detente worldwide.

During the talks the determination of Romania and Bangladesh was reiterated to cooperate actively in the international arena so as to contribute to a constructive settlement of all the problems facing mankind, and build a world in which cooperation and understanding among nations should reign.

The talks passed in an atmosphere of mutual esteem, understanding and friendship.

Receives Prime Minister

AU132049 Bucharest AGERPRES in English 1904 GMT 13 Mar 87

[Text] Dhaka AGERPRES, 13-03-1987 -- President Nicolae Ceausescu of Romania received, on March 13, Mizanur Rahman Chowdhury, prime minister of the People's Republic of Bangladesh.

The premier of Bangladesh was highly appreciative of the Romanian president's activity for the intensification of the manysided collaboration between Romania and Bangladesh, among all developing countries, for their economic and social progress, for the establishment of a new international economic and political order, for world detente and peace.

During the talk, which proceeded in a warm and friendly atmosphere, specific aspects were approached of the political, economic, scientific, technical and cultural collaboration and in other domains and satisfaction was expressed for the most fruitful results of summit talks, for the conclusion of most important agreements.

In context, emphasis was placed on the role and responsibility incumbent on the two countries' governments in the consistent translation into life of the agreed understandings, of the accords concluded to that effect, meant to provide conditions for the amplification and deepening of economic cooperation, to contribute to the fulfilment of the two countries' development programs.

Along this line, the belief was expressed that the documents Romania and Bangladesh had agreed upon would make an important contribution to the deepening of the friendship and collaboration between the two people and countries, to the cause of international peace and understanding.

Departs for Rangoon

AU141657 Bucharest AGERPRES in English 1128 GMT 14 Mar 87

[Text] Dhaka (AGERPRES) 14/3/1987 -- Romania's President Nicolae Ceausescu and Mme Elena Ceausescu concluded their visit to the People's Republic of Bangladesh on Saturday, March 14.

Accompanied by President Hussain Mohammad Ershad and Mme Ershed the distinguished messengers of the Romanian people left their official residence on Saturday morning.

Present at the Dhaka International Airport to see President Nicolae Ceausescu and Mme Elena Ceausescu off were the vice president of Bangladesh, the prime minister, members of the government, other high dignitaries, as well as heads of diplomatic mission accredited to Dhaka.

At the end of the official departure ceremony President Nicolae Ceausescu and Mme Elena Ceausescu warmly parted from President Hussian Mohammad Ershed and from Mme Ershed, the two heads of state expressing satisfaction at the productive results of the visit.

The Romanian head of state's visit to Bangladesh highlighted the two countries' determination to further expand, deepen and raise onto a higher level their cooperation in various domains, for the benefit of both peoples, of their progress and welfare. The summit dialogue also underscored their wish to more closely cooperate on an international plane for the establishment of a new international economic and political order, for the promotion of detente and the ensurance of peace.

HUNGARY'S 'FORGERY' OF TRANSYLVANIAN PAST CONDEMNED

AU121443 Bucharest AGERPRES in English 1300 GMT 12 Mar 87

["A Conscious Forgery of History Under the Aegis of the Hungarian Academy of Sciences" -- AGERPRES headline]

[Text] Bucharest, AGERPRES 12/3/1987 -- Daily ROMANIA LIBERA of March 12 carries a lengthy article by Academician Stefan Pascu, Dr. Mircea Musat and Dr. Florin Constantiniu that takes a stand against the gross distortions of the history of Transylvania and, hence of the history of the Romanian people, against harmful and defamatory theses on the Romanian people, against harmful and defamatory theses on the Romanians, against the attempts to contest Romania's territorial integrity contained in the History of Transylvania ("Erdely Tortenete") that the publishing house of the Academy of Sciences of the Hungarian People's Republic put out in 1986 under the care of a member of the Hungarian Government.

"Regretfully we must say from the beginning that the work hardly differs from the old Hungarian chauvinist and revisionist historiography in its fundamental theses and conclusions," show the Romanian historians. They note that the book resume old assertions on the "extermination of the Dacians" by the Roman conquerors, a "thesis-turned-obsession of Hungarian historiography" in order to refute the Romania continuity in the north Danubian Dacian area, and especially in the intra-Carpathian space.

The Hungarian historians deliberately ignore the findings of archaeological research that brought to light more and more testimonies of that continuity, and Roman inscriptions, widely known in world historiography, that document the same historical facts.

Reference is made to archaeological and historiographic evidence, by the Romanian historians who also quote from past Hungarian historians -- like Andras Huszti -- to support the Daco-Roman and Romanian continuity north of the Danube, and to reveal the political motive of the mystifications contained in the work of the Hungarian Academy: the attempt to locate the formation of the Romanian people only south the Danube, in order to be able to depict Transylvania as a country vacated of its autochthonous population. The authors of the History of Transylvania try to arbitrarily change historical realities, maintaining that the Hungarian tribes would have "dismounted in 894 in Transylvania first among a Slavic population, and only in 896 on the Pannonian Plain." In that way Transylvania becomes "'overnight' an old 'cradle' of the Hungarian tribes, older than the Pannonian Plain where the Hungarian State now lies." Well-known historical sources, among which Hungarian as well, like the chronicle of the anonymous notary of King Bela (anonymous), show that, when the Hungarian tribes began to raid Transylvania from Pannonia, the Romanians had been for many centuries in the intra-Carpathian area, organized in three statal political formations called "voivodeships" (duchies), "countries," etc whose existence is fully corroborated by archaeological finds. But the authors of the History of Transylvania ignore, belittle or "nullify" all evidence of historical sources about the Romanian autochthonous character and continuity in the intra-Carpathian-Danubian-Pontic space, hence also in Transylvania, that does not fit into their prefabricated patterns. Their main intention is to prove the preconceived thesis, with obvious political ends, of the absence of the Romanians in Transylvania upon the Hungarians advent there, which contests the Romanian people's legitimate rights over its ancestral hearth. A relevant example in that respect is the "treatment" given to anonymus.

The authors of the article run by "ROMANIA LIBERA" reject the injurious and defamatory assessments and characterizations of the Romanian people made by the Hungarian historians, mentioning facts and giving data that attest to Romania's major role in the anti-Ottoman fights which ensured the Romanian countries the status of autonomy from the Porte and their recognition by the public opinion of the time as defenders of the European civilization and Christianity.

Special emphasis is placed on the distorted presentation of the political status of Transylvania in various historical periods. The Hungarian Academy's work does not mention that the Hungarian Royalty adopted for Transylvania the political-administrative formula principality, an institution specific to the mediaeval Romanian society on either side of the Carpathians. The reason for which this historical truth is burked can be easily understood. Otherwise, the Budapest authors should have admitted, as Hungarian historian Elek Farczady Elek had in 1912, that owing to the presence of the Romanians with their specific institutions -- voivodeships and cnezdoms organized all over Transylvania -- the royalty was compeeled to recognize and accept the political-administrative organization of the majority autochthonous Romanians.

The attempts to present Transylvania as a component part of Hungary are also groundless. The Hungarian Kingdom collapsed and was abolished as state after the Mohacs disaster, being turned in 1541 into an Ottoman pashalik, while Transylvania was an autonomous principality which enjoyed broad autonomy like the other Romanian countries -- Moldavia and Walachia. Through their attempts to present Transylvania as a continuation of the Hungarian Kingdom and as a political entity differing from he other two Romanian states, the authors of the recently published work single out from a pleiad of Hungarian chroniclers, historicans and geographers who insisted on the completely different orientation of Transylvania from Hungary.

In their article the Romanian historians quote texts from writings by Mihaly Cserei, Sandor Izilagyi, Jeno Chalnoky, and from eighteenth century documents of the Transylvanian aulic chancellery in Vienna.

It is known what a great fuss was made in the old Hungarian historiography and is still made today, more particularly in the Hungarian emigration circles, about Hungary's millenary domination over Transylvania. But a simple arithmetic shows that the period in which Transylvania was a component part of Hungary lasted for 51 years which separated the institution of the Austro-Hungarian dualism in 1867 from the decision of the December 1, 1918 great national assembly of Transylvanian Romanians to unite Transylvania with Romania the article in ROMANIA LIBERA underscores.

Obsessed by the wish to contest the Romanian character of Transylvania, its organic integration into the Romanian land, history and life, the article shows, the Hungarian authors of the "History of Transylvania" equally distort the main stages in the Transylvanian Romanians" fight for national emancipation denying, among other things, the national character of the great 1784 revolution led by Horia, Closca and Crisan, seriously misinterpreting the history of the Romanian bourgeois-democratic revolution of 1848, and disconsidering the scope of the memorandum movement at the end of the nineteenth centry. Furthermore, the Austro-Hungarian dualism established in 1867, the incorporation of Transylvania into Hungary and the policy of force Magyarization are not condemned in the Hungarian Academy's work as deserved.

"It would have been but natural for the Hungarian historians to make an in-depth analysis of the consquences of the dualist formula on the Austro-Hungarian monarchy which was denounced by Marx, Engels and Lenin as a state of social and national oppression, a real prison for peoples," the article in "ROMANIA LIBERA" points out.

In the short 51-year interval -- between 1867 and 1918 -- the Budapest Government pursued a policy of oppression of the non-Magyar nationalities, of their forced Magyarization by draconian means which aroused the international public opinion's opprobrium, as well as harsh condemnation by outstanding personalities like Lev Tolstoi or B. Bjorernson of the state chauvinism it promoted.

Noting that the "History of Transylvania" gives a distorted image of the outstanding events of 1918 the article in "ROMANIA LIBERA" recalls that historical facts proved that the Peace Treaties of 1919 and 1920 did nothing but internationally acknowledge the creation or the accomplishment of the national unity of the states in Central or Southern Europe. It is in this framework that the Romanians' fight to achieve national and state unity, on the basis of the right to self-determination, voiced in representative, plebiscitary assemblies, falls. The Romanian historians reject the presentation of the Treaty of Trianon as an act coresponsible for the reactionary, fascist orientation of Horthy's Hungary assessing that such a concealment and distortion is a lamentable attempt to rehabilitate Horthy. They also note that in the section dwelling on the period after 1918 there is no reference to Transylvania's organic integration in the unitary Romanian national state while the fascist Vienna award of August 1940 is inaccurately presented as an act of "arbitration" requested by the Romanian Government, and the reprisals, massacres and crimes of the Horthy regime are toned down and justified. The authors of the "History of Transylvania" distort and falsify the aspects related to the deportation and massacre of the Jewish population of Northern transylvania during the Horthy occupation which exceeded by their cruelty even what happened in Nazi Germany.

The conclusion insinuated by the authors of the "History of Transylvania" is as grave as it is tendentious, the Romanian historians assess. In the Hungarian historians' opinion Transylvania is a distinct ethnical and cultural entity in Central and Eastern Europe and the course of its situation influences the development of that region. Such an assessment, ROMANIA LIBERA stresses, restricts the sovereignty of the Romanian State accrediting the idea that this province is not a component part of the Romanian state.

The authors of the "History of Transylvania" are interested less in the fate of the Magyar nationality in Romania and more in causing diversion and misleading public opinion. Their action is part of the attempts to create a false question of "minorities in Romania" which has no objective justification as in the years of socialism the Romanian State has completely and definitely solved the national question -- all the citizens of the country, irrespective of nationality, having equal rights and duties.

Through its political orientation "History of Transylvania" resumes theses circulated during Horthy's time by authors who are, this time too, members of the editorial staff, it is a work written in a revisionist and chauvinistic spirit perfectly falling in the Hungarian nationalistic historiographic literature which, from the last century to our days, tries to justify the revival of anachronic political and territorial structures, the article in ROMANIA LIBERA also shows noting the fact that there is no difference between the conclusions of the historiography of the Hungarian emigration and the historiography of the Hungarian People's Republic when it comes to Transylvania, more precisely to the revisionist position as far as it is concerned.

"History of Transylvania" is an example of how history should not be written. The deliberate ignorance of uncomfortable sources and of specialized literature that comes to different conclusions, arbitrary interpretations, forgeries and denigrations characterize this work which we see as a late, anachronic and regrettable edition of the old positions of the Hungarian historiography, and more than that, of the Horthy period.

[Bucharest AGERPRES in English at 0951 GMT on 12 March in a similar report adds: "The gross forgery of the historic truth in 'The History of Transylvania' [was] edited by a team of Hungarian historians, responsible editor being the minister of culture of Hungarian People's Republic, Bela Kopeczi."]

LCY EXPELS 3 'SOLIDARITY FUND' JOURNALISTS

LD132138 Belgrade TANJUG in English 1755 GMT 13 Mar 87

[Text] Belgrade, March 13 (TANJUG) -- The League of Communists committee of a Belgrade municipality has expelled three journalists from the league membership, after finding inadequate the disciplinary measures their party organizations originally took against them for being among the initiators of the so-called Solidarity Fund.

At last night's session, the Stari Grad Municipal Committee noted that the league's branch organizations in the daily POLITIKA and the weeklies RADIO TV EVIJA and POLITIKIN ZABAVNIK had failed to demonstrate an adequate measure of ideo-political responsibility in discussing and deciding on the levels of responsibility of journalists Dragos Ivanovic, Dragomir Tanasic and Mihajlo Blecic.

They were members of the initiating board to set up the fund, whose establishment -- after the board's announcement No 8 -- was assessed by the top party bodies and branch organizations as an attempt to wreck the unity of the League of Communists and set up an opposition organization.

According to available data, the initiating board is made up of 26 journalists, including Dusan Bogavac who, as an editor in the financial LCY organ (?KOMUNIST) came into conflict with the policy of the league, was expelled from its membership and was offered a new job in the paper's marketing department. He turned down the offer and in consequence remained without a livelihood, which allegedly prompted the setting-up of the fund.

Subsequently, the fund was joined by some public figures and by those who not only came into conflict with the league policy, but who were also tried in court for activities against the constitutional order in Yugoslavia.

In discussions on their activities, the three journalists maintained that the fund was a humanitarian organization designed to help journalists, and later possibly also others whose livelihood would be threatened because of their criticism of the situation in society.

It was also pointed out in discussions, however, that the three journalists had never been in conflict with the League of Communists because of their articles. They continue to work as journalists on the editorial staffs of their respective newspapers, as do also other members of the initiating board. At its session yesterday, however, the Journalists' Association of Serbia raised the question of the further membership of this professional organization which rallies about five thousand journalists.

LCY'S SETINC DENIES 'REFINED FORM OF CENSORSHIP'

LD140956 Belgrade TANJUG in English 0112 GMT 14 Mar 87

[Text] Belgrade, March 13 (TANJUG) -- League of Communists of Yugoslavia (LCY) Presidency Member Franc Setinc today categorically denied insinuations that the social councils in Yugoslav information media constitute a "refined form of censorship." Various press concerns and consortiums around the world interfere much more in the editorial policies of newspapers and other media than social councils do in Yugoslavia, he said during a meeting with the directors and editors in chief of Yugoslav papers and radio and TV networks.

Setinc, who was a journalist before he entered politics, underscored the need for the development of a "Yugoslav information system in which there would be enough room for the expression of all national, cultural, political and other specific features of communication of all parts of the country."

Setinc condemned the practice of spreading half-truths and tendentious information. In illustration, he spoke of the coverage in certain media of the recent Yugoslav Youth Day poster affair (a Ljubljana group tried to fob off a plagiarism of a 1936 Nazi poster) and said that a part of the press had presented the affair "as if there were only forces in Slovenia who defend this provocation."

Nationalism is at present the hub of all class opponents of socialism in Yugoslavia, warned Setinc, adding that debates in the press on this and other sensitive questions should not be too emotional. He linked the increasing number of tasks of the information media with the fact that Yugoslavia is in a critical stage of its development and that the situation is society should be changed through consistent work and perseverance.

Setinc noted that Yugoslavia's foreign policy has become a subject of critical re-examination. The need for the democratization of this policy and broader social influence on it is not denied by anyone, he said, but condemned a recent commentary in the Ljubljana daily DELO which described Yugoslavia's participation in the Council for Mutual Economic Assistance (CMEA) complex program as more or less a joining in the Soviet bloc. This is a serious insinuation which should not have been allowed by the editorial board, he said.

35 ZAGREB ORGANIZATIONS END WORK STOPPAGES

LD131331 Belgrade TANJUG in English 1208 GMT 13 Mar 87

[Text] Belgrade, March 13 (TANJUG) -- Work stoppages in a number of work organizations in the Yugoslav city Zagreb have ended after the workers heard explanations why they received somewhat lower pay than expected, the daily VECERNJE NOVOSTI writes today. Workers in 35 work organizations in the capital of Yugoslavia's Republic of Croatia stopped work because they had not been informed about the new method of calculating personal incomes, conditional on the increases in productivity in a given enterprise.

The new law limiting the amounts of personal income was enacted on February 27 and published in the official gazette on March 2. Up to now, productivity in Yugoslav enterprises was measured on a three-month basis, while the new regulations require monthly state-of-productivity reports. The managements of some enterprises claimed that productivity had risen but that it found no expression in the incomes of their workers. However, they had omitted to present the data on productivity to the competent financial organizations supervising the implementation of the law.

A total of 851 work stoppages involving 88,860 participants were recorded in Yugoslavia last year. Analyses show that they were motivated largely by low personal incomes, followed by poor work conditions, lack of information and the violations of workers' selfmanagement rights by management teams in enterprises.

Responsibility for the current series of strikes in Zagreb is considered to rest above all with the city trade union organization, which is in charge of monitoring the implementation of the new law linking the workers' incomes to productivity levels.

Statistics show the average duration of work stoppages in Yugoslavia to be eight hours. They also indicate that only 0.5 per cent of the 6.1 million employed Yugoslavs take part in them.

CROAT SAWP COMMITTEE MEETS ON RELIGIOUS ABUSE

LD151410 Belgrade TANJUG Domestic Service in Serbo-Croatian 0615 GMT 15 Mar 87

[Excerpts] Zagreb, 15 Mar (TANJUG) -- The Croat SAWP Republican Conference Committee for Social Questions of Religion, which includes sociopolitical workers, believers, and priests, as well as other representatives of workers and citizens, recently examined the first "delicate" topic that previously gave rise to disputes, especially in the religious press. In a peaceful atmosphere of tolerance and a considerable degree of understanding, a number of arguments were heard on a proposal that amendments and addenda be passed to the republican law on offenses against public order, including specific provisions relating to abuse of religion.

The committee members unanimously agreed that excesses such as abuse of religion for political purposes and, consequently, the violation of public order do nothing but harm both to religious communities and the social community. The members also gave examples illustrating that in practice, abuse of religion exists and thus violates the public order, especially at athletic stadiums and halls, marriage ceremonies, and in streets and squares. There are also instances of religious beliefs being imposed on others by people going door-to-door.

The amendments and addenda will regulate in precise terms the nature of the sentence for those who abuse religion and violate public order by speaking, singing, or displaying religious signs and symbols. [passage omitted]

The committee members from religious groups asked if wearing a crucifix would be punishable under the current legislative proposals. They warned that some religious groups wear crucifixes and that its prohibition could cause even stronger reactions.

The statute's sponsors stressed this was not the law's aim or purpose, and that wearing a crucifix is not and cannot be punishable. Only those acts under which religion is abused for political purposes and public order is thereby violated are illegal. [passage omitted]

However, contrary to this, some religious dignitaries continue spreading their futile thesis that the Socialist Alliance is not a place for believers. They are more inclined to warfare and confrontation, longing for days gone by and political power for themselves alone. They manipulate the interests of believers, whom they refuse to represent under any circumstances.

Such a dialogue, conducted by the Committee for Social Questions of Religion, obviously shows that things are nonetheless moving in a different direction -- one of fellowship and understanding.